

## Appendix 1

### Central Dudley Area Committee – 7<sup>th</sup> June 2009

#### Report of the Area Liaison Officer

#### Criteria for awarding Capital Allocations

##### **1.0 Types of schemes or Items attracting Capital Expenditure**

- 1.1 The allocation or grant must only be spent on “capital” Schemes or items only, as defined by legislation i.e. “one-off” expenditure on acquisition, construction, enhancement of land, buildings, equipment or vehicles, which may include the making of grants or loans for capital expenditure by others.
- 1.2 All capital expenditure of this type should contribute to the Community Strategy and align with the objectives of the local Central Dudley Community Plan. They should not conflict with Council policy.
- 1.3 All capital expenditure of this type should be for the general benefit of the wider community, not just for the benefit of individuals or specific groups and should make a difference in the local area.
- 1.4 Any capital expenditure of this type cannot include any on-going revenue costs. If there are linked revenue or consumable costs, then they cannot be funded by the Area Committee.
- 1.5 Consideration may be given to capital schemes that might generate external funding e.g. using this budget as match funding.
- 1.6 All capital expenditure must be in accordance with Council Standing Orders and Financial Regulations, be subject to the Council’s legal powers and demonstrate Best Value.
- 1.7 Best Value can often be demonstrated by seeking three quotations for the proposed capital expenditure on any goods or services. This is encouraged by the Council.
- 1.8 All proposed expenditure will be subject to the technical financial definition of “capital” as it differs from “revenue”, under the Council’s audit regulations.

##### **2.0 Who can apply?**

- 2.1 All capital allocations or grants will be made to properly constituted organizations, not to individuals.
- 2.2 The organizations must be based within or work within any or all of the five Wards that make up the area of the Central Dudley Area Committee, so that the beneficiaries of any capital grant are the citizens of those Wards.

- 2.3 The aims and objectives of the organization should be primarily help or benefit in some measurable way, the citizens of Dudley and particularly those within the Central Dudley area.
- 2.4 The aims or objectives of the organization must not be primarily commercial or business-orientated. Any profits made must, under its constitution, be re-used for the general benefit of the organization.
- 2.5 The Committee may decide to categorise priority groups that meet this general criteria.

### **3.0 Direct Committee Control**

- 3.1 It is important that as many members of the community as possible feel that they have benefited from this initiative.
- 3.2 In some cases it may not be possible for a single organization to directly deliver schemes that are of widespread and general benefit to the community.
- 3.3 If the Area Committee identifies a broad need, perhaps requiring a significant injection of capital, it will decide how that need may be met most effectively.
- 3.4 If there is no appropriate organization that can act as its agent, then the Area Committee may decide to control the expenditure and resources itself.

### **4.0 Application Protocols**

4.1 All completed application forms must be accompanied by:

- A copy of the written constitution of the organization, including the length of time it has been in existence.  
(This helps provide evidence that the organization is properly run and has some experience of development).
- An audited copy of the accounts relating to the most recent financial year to include an income/expenditure account and a balance sheet.  
(This helps provide evidence of competent financial management).

4.2 Key questions on the Form that must be answered include:

- The names & addresses of the 3 key Officers i.e. Chairman, Secretary and Treasurer or the equivalent posts.  
(These are the responsible officers to whom the proper expenditure of the grant will be entrusted).
- A Statement of the aims and objectives of the organization and the precise purpose of the application.  
(This provides information to ensure that a capital allocation to a particular organization meets key parts of the set criteria).
- Details of membership or information on the range of people potentially helped by the organization.  
(This helps provide evidence of commitment to the Council's Equal Opportunities Policy, as well as the numbers of citizens that may benefit).