

**Central Dudley Area Committee - 7<sup>th</sup> June 2011**

**Report of the Area Liaison Officer**

**Capital Allocations**

**Purpose of Report**

1. To consider proposals for the allocation of expenditure from the delegated capital budget for the financial year 2011/ 2012.

**Background**

2. At the Area Committee meeting of 3 October 2000, a criteria was agreed for the award of capital grants. A copy of the criteria is included as **Appendix 1**.
3. At the Area Committee meeting of 13 June 2006, an updated process for the award of capital grants to community organisation was agreed. A copy of this process is included as **Appendix 2**.
4. At the Area Committee meeting of 6th July 2000, it was agreed that the total annual sum available, £50,000, would be split equally between the five Wards.
5. At the Area Committee meeting of 3rd October 2000, a Capital Allocations Working Group was set up to consider the applications in detail and thereby make recommendations to the Area Committee. This practice has continued.
6. At the Area Committee meeting of 24th January 2006, it was agreed that there would be no formal maximum applied to grant awards. Each Ward can recommend any discretionary amount, as long as they have the necessary funds. The guideline maximum of £2,000 per organization need only be used when there is a shortage of funds within a particular Ward.
7. At the Area Committee meeting of 18th January 2011 it was further agreed to implement a restriction on applicants making further applications for Capital Allocation funding for a period of 12 months from the date of the final grant payment or the most current grant.

Area Committee also agreed to include the flexibility to waiver this condition where the applicant could demonstrate immediate and extenuating circumstances or where they could Demonstrate that funding from Area Committee was being requested, as match funding, to access a significantly greater amount of external funding from outside of the council.

**Amendments for the 2011/12 Municipal Year**

8. Members should note that for the 2011/12 Municipal Year efforts by Audit Services and Democratic services to harmonise the Capital Allocations processes across the 5 Area Committees has resulted, so far, in the adoption of a standard

application form.

All new applications should be submitted on the new application form (see **Appendix 3**)

Copies of the new form are available from the Contact Officer named at the end of this report.

9. Whilst the form remains very similar to the form used in the Central Dudley Area in 2010/12 there has been some clarification and strengthening on specific areas to ensure consistency in the process adopted across the five Area Committees :

Organisations unable to provide a set of annual accounts due to them not being established for a full 12 months are required to provide

- a) A formal constitution showing the length of time the group has been in existence and that contains the names of properly appointed officers including a named Treasurer.
- b) A bank account in the name of the organisation and a copy of their latest bank statement to the date of the application whether they have provided audited or verified accounts or not.
- c) A formal business plan, setting out the organisation's key aims and objectives including an income and expenditure forecast.

Support in writing a business plan can be access from Dudley Council for Voluntary Services or from the Contact Officer.

10. The new guidance also strengthens the requirement that applications for individual capital items or services up to the value up to £500 are supported by one written quote and for individual capital items or services in excess of £501 are to be supported by three written quotes.
11. As in previous years, the nature of Capital Allocations grants means that only capital expenditure is eligible for consideration. Expenditure such as salaries, rent, energy costs, trips, and other general running costs are ineligible.

### **Delegated Authority**

- 12 Area Committee will be aware that for the 2011/12 Municipal year the frequency of Area Committee meetings is reducing from 5 meetings a year down to 3.
- 13 In line with normal practice the June meeting would sees no new grant applications presented as the re-establishment of the Capital Allocations Working Group for the new municipal year will only have been discussed in an earlier agenda item of this meeting.
- 14 Therefore the next opportunity for Area Committee to approve new Capital Allocations grants will be at its October meeting. This may mean delays of up to 5 months between applicants submitting applications and their grant being approved.
- 15 To address this, Area Committee are asked to consider and approve 1 of 3 options

## 16 Option 1

To leave arrangements as they currently are with grants being considered by the Capital Allocations Working Group and then Approved at Area Committee at the meetings in October and January

## 17 Option 2

For Area Committee to approve the use of 'Delegated Authority' in August 2011 and March 2012 to allow grants to be decided and approved in-between Area Committee meetings.

## 18 Option 3

For Area Committee to approve the application of 'Delegated Authority' for the 2011/12 whole municipal year to be used in addition to the existing Working Group and Area Committee schedule.

## Finance

19 For the financial year, 2010/2011, a total of 24 community organisations benefited from capital grants totalling £41,497.31.

20. Allocations for all Area Committees for 2011/12 are to be set at Cabinet on the 29th of June 2011. The outcome will be confirmed in the Capital Allocations report to this Area Committee in October.

21. A total of £27,483.01 remains uncommitted from 2010/11 and is broken down by ward as follows:

Castle and Priory	£ 5,824.10
Netherton Woodside and St Andrews	£ 0.00
Quarry Bank and Dudley Wood	£13,902.16
St James's	£ 7,756.75
St Thomas's	£ 0.00

**Total** **£27,483.01**

22 These Figures include individual reconciliations, where applicable, between the grant awarded and actual final expenditure on grants and where the actual expenditure is less than the grant offer any savings will have been returned to the appropriate ward budget. They also include any arithmetical reconciliation at financial year end.

23 These figures also include adjustments for grant awards made in 2009/10 which have since been declined or withdrawn.

## Law

24 Part 1 of the Local Government Act 2000 enables the Council to do anything that it considers likely to achieve the promotion or improvement of the social, environmental, or economic well being of its area.

25 Section 111 of the Local Government Act 1972 enables the Council to do anything that is calculated to facilitate, or is conducive to or incidental to, the

discharge of its statutory functions.

### **Equality Impact**

- 26 The awarding of capital grants to community organisation has the specific purpose of creating general benefits for the wider community.
- 27 Many of these organisations represent groups within the community who have particular needs e.g. ethnic minorities, older people, young people and disabled people, so any capital award will also help these groups and ensure that the equality impact is maximised.
- 28 Children and young people are often the direct beneficiaries of these capital grant awards, but there has been no specific consultation with them and they were not involved in developing the proposals.

### **Recommendation**

It is recommended that: -

- The Area Committee approves the capital allocation process for implementation in 2011/2012.
- Members note the changes being applied to Capital Allocations across all Area Committees for the 2011/12 Municipal Year in sections 8 to 11
- Consider the options regarding delegated authority in sections 12 to 18
- The Area Liaison Officer be authorised to carry out the recommended actions.



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### **List of other Background Papers**

The minutes of the Central Dudley Area Committee meetings of 6 July 2000, 3 October 2000, 1 October 2001, 24 January 2006, 13 June 2006 and 18th January 2011