

## **APPENDIX 1**

### **CENTRAL DUDLEY AREA COMMITTEE - 10 JUNE 2008**

#### **PROCESS FOR AWARDING CAPITAL ALLOCATIONS**

##### **1.0 Applications**

- 1.1 Application forms together with an explanatory letter and a copy of the criteria are made available to applying organizations on request.
- 1.2 Applicants are informed that their completed applications will be submitted to the next available meeting of the Capital Allocations Working Group, without any time limit being imposed.
- 1.3 Missing or supplementary information is sought as necessary, prior to completion of the summary Report.
- 1.4 It is emphasized to the applying organization that they must be properly constituted with competent financial management and they must have as their primary purpose, assisting the community in a non-profit making capacity.

##### **2.0 Summary Reports**

- 2.1 A summary Report on all current applications is prepared for the Capital Allocations Working Group with all supplementary information available.
- 2.2 The Working Group considers the Report and determines the appropriate recommendations to submit for approval to the next available Area Committee.
- 2.3 To protect the financial and business confidentiality of the applicant organizations, the Report is considered under the provisions of the Local Government Act 1972, specifically Paragraphs 5 & 7 of Part 1 of Schedule 12A, which thereby excludes the public from the meeting.
- 2.4 A Report summarising the recommendations of the Working Group is then submitted for the approval of the Area Committee.
- 2.5 Since the Working Group is not a Sub-Committee, it cannot make decisions on behalf of the Committee. Therefore a capital grant is not awarded until the Area Committee has formally approved it.

##### **3.0 Composition of the Working Group**

- 3.1 It was agreed at the Area Committee of 3 October 2000, that the Capital Allocations Working Group may consist of one Member from each Ward, plus

the Chair and Vice-Chair of the Committee, with additional Members as may be agreed.

- 3.2 This agreement is re-submitted to the Area Committee for approval at the beginning of each new municipal year, when this and other Working Groups are appointed.
- 3.3 The Working Group is supported by the following officers, as necessary: The Area Liaison Officer, a legal officer from Law & Property, a Committee officer from Democratic Services and the officer acting as grants administrator on behalf of the Area Liaison Officer, plus any other specialist officers that may be occasionally required.

#### **4.0 Division of the Allocation**

- 4.1 It was agreed at the Area Committee meeting of 6 July 2000 and subsequently re-affirmed, that the total sum made available each year of £50,000.00 would be divided equally between the five Wards.
- 4.2 This allows each Ward to have £10,000.00 to allocate to any applicants from within its own Ward area, as the Ward Members may see fit to recommend.
- 4.3 This agreement is re-submitted to the Area Committee for approval at the beginning of each new municipal year.

#### **5.0 Amounts of individual Capital Allocations**

- 5.1 The earlier decision by the Area Committee in 6 July 2000 to restrict most capital grants to a maximum of £1,000.00 was changed on 3 July 2001 and further changed to a guideline amount of £2000.00 on 27 October 2003.
- 5.2 However, on 24 January 2006 the Committee further decided that the guideline maximum of £2000.00 was unnecessary. The Committee had always applied its own discretion as to the amount of any grant.
- 5.3 As long as a particular Ward has sufficient funds available to meet the submitted applications, it may recommend any amount that it considers to be appropriate. If the Ward has insufficient funds to meet all requests at a particular time, then the figure of £2000.00 may act as a guideline amount.
- 5.4 The five Wards may jointly decide to fund a project or organization and may recommend a joint allocation.

#### **6.0 Monitoring and Control of Capital Grants**

- 6.1 The Area Committees have always had the right and the responsibility to monitor and control the use of their capital expenditure since these budgets were delegated to them, as outlined in the relevant Guidance and Codes of Best Practice.
- 6.2 The current practice, fully established in 2006/07, is to require proof of the expenditure commitment before releasing the Committee's funding. This is in accord with Council policy and practice.

- 6.3 This is to ensure that the grant is used only for the purposes agreed by the Committee and that the procedures meet with all financial regulations regarding the disbursement of public monies.
- 6.4 Therefore the organization is requested to produce a certified invoice or other proof of purchase covering the cost of the goods or services being purchased or paid for against the capital grant being made.
- 6.5 Applicant organizations are advised not to enter into commitments until the capital grant has been approved and then under normal commercial arrangements they will have 30 days to pay the invoice, thus providing sufficient time for the grants administrator to examine it and release the agreed funding.
- 6.6 If an organization has different credit arrangements, then it may be possible for the Council to place the order with the supplier on behalf of the organization and therefore to pay the invoice directly. Normally this responsibility lies with the applicant organization.
- 6.7 If a capital grant is approved for works that are being carried out by another Directorate(s) of the Council, then they will be reimbursed through the existing internal transfer financial mechanisms.
- 6.8 Where there is substantial expenditure involved, the Area Liaison Officer may instruct designated officers to examine by personal visit, those tangible assets which have been purchased via a capital grant. Sometimes completion checks may be necessary or other monitoring activities.
- 6.9 To ensure that all applicant organizations understand the requirements, they are explained fully in the covering letter that accompanies the application form. Also the declaration on the form explains the position of the Council.
- 6.10 Notwithstanding the provision of written information, the grants administrator will offer assistance and advice to applicants on request.