Rochford District Council

March 2010

Final Report of the Project Team
as approved by the Review Committee

Review of Area Committee Budgets

Rochford District Council

Rochford District Council

INVESTORS IN PEOPLE

1 Index

1 Index....2
2 Glossary....2
3 Introduction....3
4 Terms of reference....3
5 Methodology....4
6 Findings....5
6.1 Other Essex Authorities....5
6.2 Authorities outside Essex....6
6.3 Conclusions....6
7 Summary of Recommendations....11

2 Glossary

If you would like this information in large print, braille or another language please contact 01702 546366

3 Introduction

3.1 Area Committees were introduced by the Council in 2007. Since their introduction there have been discussions about whether each Area Committee should have its own budget and, if so, what it should be used for. In the past, Review Committee project teams have considered the decision making process relating to the Area Committees.

3.2 The Review Committee agreed that the review would be carried out by a small team of three Members.

4 Terms of reference

4.1 The Review Committee agreed that the team should examine the feasibility of providing a budget allocation to each of the Area Committees. No other aspects relating to the Area Committees would be examined during the course of the review.

5 Methodology

5.1 The team agreed to look at:-

- The arrangements of other Authorities who had introduced budgets for their Area Committees or equivalent, and whether this had been of benefit to the residents of the Area.

- Which items could be the subject of budget allocation and how monies could be divided between the three Committees.

5.2 The team decided to meet with the Council's Area Committee Chairmen and Group Leaders to seek their views on the allocation of budgets to Area Committees.

6 Findings

6.1 Other Essex Authorities

6.1.1 The team identified three Essex Authorities that had either allocated budgets for Area Committees or funds to Members to spend on local projects. The authorities were Braintree District Council, Castle Point Borough Council and Tendring District Council.

Braintree District Council

6.1.2 In 2007 Braintree District Council made a number of changes to its constitution with the intention of giving frontline Councillors greater focus on community leadership. Local Committees were introduced, each with their own budget and the freedom to financially support local projects. Each Committee would operate a grant funding scheme to attract a wide range of applicants and promote the role of the ward member who would support and monitor an application. The arrangements were reviewed during 2008/09 and it was concluded that the funding available to Local Committees ought to be directed to local priorities rather than awarded through a grant system.

6.1.3 There are three Area Committees. The budget for each Committee is related to how many Members there are on a Committee. The budget is divided into Revenue and Capital and for 2009/10 by way of example, the budget for the Braintree Local Committee was £65,000 capital and £26,000 revenue.

Castle Point Borough Council

6.1.4 Castle Point Borough Council has 5 Neighbourhood meetings which are the equivalent of the Rochford District Area Committees. The Authority currently allocates £70,000 of its budget to its Neighbourhood meetings. A difference between Rochford District Council and Castle Point Borough Council is that, whilst Rochford District is fully parished, there are areas of Castle Point that are not covered by a Parish Council.

6.1.5 The use of the budget by Neighbourhood Meetings must be in accordance with a 'Neighbourhood Plan' and confined to local area purposes under the general heading of "Civic Pride", where expenditure will be non-recurring and will not have future implications for maintenance or other ongoing expenditure.

6.1.6 The decision on the use of a budget can only be made at a Neighbourhood Meeting following the consideration of a written report from a Neighbourhood Director confirming:-

- The estimated cost of the proposal.

- Confirmation that the proposal meets the provisions of the Council's scheme, including a statement that the proposal does not result in future ongoing costs.
- An estimated timescale for implementation.

Tendering District Council

6.1.7 Tendering District Council do not have Area Committees but identify a budget for allocation by individual Members. The team studied this system as an example of a way that ward councillors could have direct involvement with residents.

6.1.8 Since the 2008/09 Municipal year Tendering has operated a Small Schemes Grant System where each of the 60 Tendring Councillors are allocated £2,000 to spend on schemes of their own choice during each year. Unallocated funds are carried over into the next year.

6.1.9 Councillors are allowed to select deserving groups and organisations in their wards. Where there is more than one Councillor in a Ward they have the option to pool resources for a larger project.

6.2 Authorities outside Essex

6.2.1 The team considered the arrangements at a number of Authorities outside Essex that had awarded budgets for Area Committees. These included Oldham Metropolitan Borough Council, Sefton Council and Swale Borough Council. The team took the opportunity to look at the application process for grant funding that these authorities had put in place and the way that applications were dealt with by the Area Committees.

6.3 Conclusions

6.3.1 Further to discussions with Rochford District Council's Area Committee Chairmen and Group Leaders and, having studied the detail of other Authorities schemes, the team developed recommendations around the following factors:-

- The value of a trial period arrangement.
- Funding sources and an easy to apply allocation.
- Minimising both bureaucracy and administration costs.
- Avoiding conflict with other funding arrangements whilst providing a useful facility that will allow an Area Committee to make a difference.
- Monitoring arrangements.

6.3.2 The team felt that Area Committees should be allocated a budget and that arrangements should be trialled over two years subject to provision for earlier review if the costs of administration prove onerous.

Recommendation No 1

It is recommended to the Executive that Area Committee budgets are allocated for a trial period of 2 years with effect from the 2010/11 municipal year, subject to provision that the Head of Finance, Audit and Performance Management can return to the Executive earlier if the costs of administration prove onerous.

6.3.3 During its deliberations the team met with the Head of Finance, Audit and Performance Management to discuss possible funding streams that could be reallocated for use by the Area Committees. The Community Safety Reserve of £15,000 was identified as being a possible source of funding that could be reallocated to the Area Committees.

Recommendation No 2

It is recommended to the Executive that the Community Safety Reserve of £15,000 be reallocated to the Area Committees.

6.3.4 The other Authorities examined allocated funding to their committees using formulas based around aspects such as number of wards covered by the Committee, number of Members on the Committee or population of the Area. The team felt that, given the size of the amount involved, a simple approach would be to split the funding equally between the three Area Committees so that each Committee would have a budget of £5,000.

Recommendation No 3

It is recommended to the Executive that if recommendation No 2 is agreed then the budget of £15,000 be split equally between the three Area Committees.

6.3.5 One of the concerns of the Area Committee Chairmen that was raised with the team was the costs of administering any system.

6.3.6 Whilst administrative systems used by other Local Authorities can be large and bureaucratic, the amount they have to allocate is also large and the system of distribution needs to reflect this. For example Oldham Metropolitan Borough Council use a twenty page application form. If the costs of administering a scheme were to include allocation panels etc, then the Council could end up spending more to administer applications than the £15,000 available to distribute.

Recommendation No 4

It is recommended to the Executive that there should be minimal administrative arrangements so that funds can be allocated at minimum cost

6.3.7 Another concern of the Area Committee Chairmen was the possible conflict with other sources of funding within the District.

6.3.8 It would be appropriate for any expenditure made by the Area Committees to only be made if there is no apparent better source. Therefore, most groups should be expected to follow the existing grant aid process or look to other sources, such as the Parish/Town Councils or the County's Community Initiative Fund.

6.3.9 An Area Committee budget could usefully be applied to items identified by Members during the course of a meeting that would benefit from immediate funding to provide a 'quick win'. It could be used for, say:-

- Local housekeeping jobs(such as provision of winter grit bins or signage)
- Community Safety matters (such as additional lighting)
- Small scale environmental work (such as shrub or tree planting)
-

Recommendation No 5

It is recommended to the Executive that any expenditure by the Area Committees is only made if there is no apparent other source of funding and is applied to issues identified during the course of a meeting that could provide a 'quick win'.

6.3.10 It was envisaged that there may be cases when a Committee would wish to apply funding to the work of a group for pump priming purposes and to so attract additional funding from other sources.

Recommendation No 6

It is recommended to the Executive that Area Committees can allocate monies for the purpose of pump priming if considered appropriate and if it will attract additional funds from other sources.

6.3.11 Due to the amount of funds available to each Committee, the team agreed that it would be appropriate for there to be a limit to the amount that can be allocated to each item, thereby ensuring that the full budget would not be spent on one item.

Recommendation No 7

It is recommended to the Executive that there be a limit of £750 to each item that the Area Committee allocates funds to.

6.3.12 During discussions the problems of providing funds for projects that incurred ongoing maintenance costs was considered. The team felt that arrangements needed to be agreed prior to the allocation of funds to ensure that the District Council did not become involved in ongoing maintenance costs. In certain circumstances it may be possible for, say, the District Council to provide the initial costs and a Parish/Town Council to agree to take on the ongoing costs.

Recommendation No 8

It is recommended to the Executive that the Area Committees should not allocate funding to projects that would involve the District Council in ongoing maintenance costs.

6.3.13 Whilst the team felt that any administration should be kept to a minimum any expenditure should conform with the Council's aims and objectives.

Recommendation No 9

It is recommended to the Executive that any proposed expenditure made by the Area Committees is signed off by the Head of Finance, Audit and Performance Management as the S151 Officer to ensure that it conforms to the Council's aims and objectives, is legal and meets probity requirements.

6.3.14 The team agreed that, in order for the public and Members to be able to track expenditure and to ensure transparency, details of funding needs to be readily available.

Recommendation No 10

It is recommended to the Executive that a funding schedule identifying the situation with regard to spend to date and remaining monies available is produced for each Area meeting, allied to Area Committee updates.

6.3.15 The team noted that most of the schemes run by other Authorities allowed for funds to be carried over to the following year. It was felt that funds allocated but not drawn down should be carried over for a maximum period of 6 months. The team felt it would be inappropriate to store funds and, to encourage the Committees to allocate funds, it should not be possible to roll over the complete budget indefinitely.

Recommendation No 11

It is recommended to the Executive that:-

- Any funds allocated by an Area Committee but not drawn down, can be carried over to the next municipal year but must be spent within 6 months.
- A maximum of £2,500 of an Area Committee's unallocated budget can be carried over to the following year.

7 Summary of Recommendations

Recommendation No 1

(Page 7, Section 6.3.2)

It is recommended to the Executive that Area Committee budgets are allocated for a trial period of 2 years with effect from the 2010/11 municipal year, subject to provision that the Head of Finance, Audit and Performance Management can return to the Executive earlier if the costs of administration prove onerous.

Recommendation No 2

(Page 7, Section 6.3.3)

It is recommended to the Executive that the Community Safety Reserve of £15,000 be reallocated to the Area Committees.

Recommendation No 3

(Page 7, Section 6.3.4)

It is recommended to the Executive that if recommendation No 2 is agreed then the budget of £15,000 be split equally between the three Area Committees.

Recommendation No 4

(Page 8, Section 6.3.6)

It is recommended to the Executive that there should be minimal administrative arrangements so that funds can be allocated at minimum cost

Recommendation No 5

(Page 8, Section 6.3.9)

It is recommended to the Executive that any expenditure by the Area Committees is only made if there is no apparent other source of funding and is applied to issues identified during the course of a meeting that could provide a 'quick win'.

Recommendation No 6

(Page 9, Section 6.3.10)

It is recommended to the Executive that Area Committees can allocate monies for the purpose of pump priming if considered appropriate and if it will attract additional funds from other sources.

Recommendation No 7

(Page 9, Section 6.3.11)

It is recommended to the Executive that there be a limit of £750 to each item that the Area Committee allocates funds to.

Recommendation No 8

(Page 9, Section 6.3.12)

It is recommended to the Executive that the Area Committees should not allocate funding to projects that would involve the District Council in ongoing maintenance costs.

Recommendation No 9

(Page 9, Section 6.3.13)

It is recommended to the Executive that any proposed expenditure made by the Area Committees is signed off by the Head of Finance, Audit and Performance Management as the S151 Officer to ensure that it conforms to the Council's aims and objectives, is legal and meets probity requirements.

Recommendation No 10

(Page 10, Section 6.3.14)

It is recommended to the Executive that a funding schedule identifying the situation with regard to spend to date and remaining monies available is produced for each Area meeting, allied to Area Committee updates.

Recommendation No 11

(Page 10, Section 6.3.15)

It is recommended to the Executive that:-

- Any funds allocated by an Area Committee but not drawn down, can be carried over to the next municipal year but must be spent within 6 months.
- A maximum of £2,500 of an Area Committee's unallocated budget can be carried over to the following year.