



Neighbourhood Locality Funds – guidelines for expenditure of community funds

1. Before agreeing a project the following factors need to be considered:
 - Is there sufficient budget available? (figures should be checked with democratic services)
 - Is the project likely to incur any ongoing revenue costs?
 - Has the relevant head of service been consulted if appropriate?
 - Is the cost of the project proportionate to the number of people who will benefit from it?
 - How long will it take for the project to be completed?
 - Have appropriate permissions been given if required, e.g., to undertake work on private land?
 - Does the project support a local organisation, grass roots group or activity?
 - Funds cannot be used to subsidise the activities of larger charities nor to fund an individual.

2. In most cases, all three ward councillors have to agree on a project and either sign the form or confirm to democratic services by email that they are happy for the project to be funded. Where a councillor has a conflict of interest in a project (see below), two of the three ward councillors must agree to the project.

3. Quotes for work must be obtained. To comply with the council's purchasing requirements, where the value is **£2,000 or under**, one oral quotation must be obtained (confirmed in writing where the total exceeds £500). Where the value **exceeds £2,000**, three written and meaningful quotations must be obtained.

4. It is acceptable for wards to decide to jointly fund a project if it crosses ward boundaries or will benefit the residents of the wards in question. Also, even if that is not the case, but a number of wards are supporting a similar initiative, e.g., alley clearing, consideration should be given to aggregating orders with other wards, where appropriate, to obtain best value. Councillors will also be required to explain how their project demonstrates value for money.

5. An application must be submitted to democratic services using the relevant application form (appendix A). **No work must be commissioned or funds committed until approval has been obtained.**

6. The fund cannot be used to support a project that has already taken place. The onus is on councillors to return the completed forms to Democratic Services in a timely manner to ensure a project can be supported.
7. To comply with the council's contract procedure rules, all orders need to be accompanied by an official order number which means that all orders for goods and services must be placed by officers using the electronic procurement system
8. Councillors must not make any direct verbal or telephone orders for goods, materials or work.

Conflicts of interest

9. Councillors should be aware of the code of conduct when commissioning work.
10. A conflict of interest is likely to arise if the councillor, or a member of his/her family, is likely to directly benefit from the project to which the money is to be spent to a greater extent than any other resident of the ward.
11. It is also likely to arise if the councillor, or a member of his/her family, is on the management committee of the body which is the recipient of the funding.
12. In any instance, where a councillor considers that he/she may have a conflict of interest, they should notify their fellow ward councillors and declare the nature of the interest to the democratic services manager and take no part in applying for funding.

Dos and Don'ts

13. In order to ensure that expenditure comes from the current financial year, councillors are encouraged to submit all applications for projects by the end of February. **No expenditure will be approved after a notice of election has been issued in any year and purdah has started.** This is to avoid councillors being accused of using their Locality Funds to promote themselves during an election.
14. Councillors are encouraged to spend their funds within each financial year. Should funds not be spent and a ward has a particular project in mind to fund that is likely to take more than their yearly allocation, they can make a request to the director of finance to carry forward the unspent funds for that purpose.

15. Financial statements will be completed and forwarded to councillors in April in time for the Neighbourhood Locality Fund Annual Report to be presented to Annual Council in May.
16. The amount of funds awarded to any particular project needs to be proportionate to the number of residents benefiting from the project, i.e. it would not be appropriate to spend a large proportion of the funds on a small group.
17. Councillors should **not** consider multiple applications for funding from one group. It is expected that a recipient should only receive funding once a year. This is to enable the funds to be spread across more groups. However if all members of the ward consider that a recipient has a worthwhile project that they wish to fund and the recipient has already received funding for another project then this will be accepted.
18. Funds should not to be spent on:
 - Catering (other than refreshments at meetings), as this could be viewed as “treating”
 - Outings, as this could be viewed as “treating”
 - Projects which will involve ongoing revenue costs/maintenance which is likely to fall to the council, except where approved by the appropriate head of service. Councillors are advised to make sure that when funding a group that the group has sufficient funds to meet any ongoing revenue costs/maintenance arising as a result of the project, to avoid repeated requests for funding
 - Party political purposes
 - As a reward
 - Cash donations to charities – any spend should be used to fund specific projects in the ward
 - Larger charities with other funding streams at their disposal
 - Individuals.
19. A separate form is available for meetings (appendix B). This must be completed and forwarded to democratic services before arranging Neighbourhood Locality meetings. The form must include the date, time and location of the meeting and an approximate cost. This form should be submitted before the meeting and before any costs have been incurred. Councillors are reminded that the council’s communication team can help with advertising meetings to help minimise expenditure.
20. Whilst it is acceptable to publicise projects in ward leaflets or newsletters, it must be made clear that the funding has come from the Neighbourhood Locality budget. It must not be attributed to any political party.

21. Councillors are required to adhere to the protocol for Neighbourhood Locality Funds and the council's contract procedure rules during each stage of the procurement of goods or services.

Feedback

22. Councillors will be expected to obtain feedback from any organisation that they allocate funds to on their completed projects. A feedback questionnaire (appendix C) is available to assist. Feedback should be used to assess whether such events or organisations should be funded in the future, and feedback should be used in the Neighbourhood Locality Annual Report.