

How to...

approve, allocate and manage ward budgets.

This how to guide is intended to help Councillors and Council officers manage spending from the budgets made available to wards participating in the City Living, Local Life (CLLL) programme. It explains the process for administering funds to projects and activities and maintaining records to validate expenditure associated with these. These guidelines will be reviewed from time-to-time and amended as and when required to fulfil the aims of CLLL and/or the Council.

How the budget can be used?

Projects and initiatives can be supported by CLLL funding if:

- they meet an identified need within the ward as demonstrated by evidence gathered through local consultation and community engagement and
- they are not at odds with established Council policies and comply with the general duties and procedures of the Council and
- they can demonstrate that they are or will secure value for money and
- the proposed spending is consistent with the rules and regulations that govern public expenditure

How much is available?

Expenditure in each CLLL ward must not exceed £20,000 in any one year or £14,000 for two member wards. The funding period is aligned to the tax year, April to March.. All approvals for funding will need to be made before 31 March of each financial year. Funding that remains unspent will not be allowed to be carried forward to the next financial year. Only actual financial expenditure that has been agreed and leaves the Council's account can be included as money spent in that financial year

The approval process

Proposals for spending from the CLLL budget must be set out in the Ward Budget Approval Form. These forms provide an important record and must be completed in full.

Approvals will not be granted in arrears i.e. after money has been spent.

Completed forms, and any other correspondence relating to proposed expenditure, should be directed to the relevant Support Officer for the ward. Contact information for the relevant support officer for each ward can be obtained from the Community Engagement Team.

Once a completed Approval Form has been assessed by a support officer and recommendation made, they will arrange for it to be considered by relevant ward councillors. All three councillors in each ward must approve the application before expenditure can be agreed. Approval may be obtained via email but must be attached to each Approval Form. It may be necessary and not possible to approve the full amount requested. Confirmation of the amount approved will need to be noted in the form at the appropriate place indicated.

Multi-ward applications

Multi ward applications must also include attached completed approval forms from each ward. Normally in these circumstances a designated officer within the Community Engagement Team will lead on the application. Multi ward applications may not be successful or viable if one or more wards decide not to fund or only part fund. Separate guidance is available from the Community Engagement Team on the process of assessing multi-ward applications and will be issued on request.

How requests are made for CLLL ward budgets?

- All correspondence should be directed to the relevant support officer for the ward. Contact information for the relevant support officer for each ward can be obtained from the Community Engagement Team
- The Ward Budget Approval Form will act as a record of key information for the purpose of the expenditure. The following information must be submitted with all application forms for approval:
 - full details of the applicant who has requested the spending sum i.e. names, addresses, contact telephone and email and any other relevant information helping to identify and verify the recipient of any sum awarded;
 - full details of what the activity will be, how much it will cost, when and where it will be taking place (i.e. what the expenditure is being incurred for);
 - by ticking the appropriate box(es) indicate how the proposed activity meets the specified CLLL aims; and
 - the name of the individual, company or organisation who will be providing the goods or services.
 - name of the organisation to which payment will be made. Payments are not normally made to individuals unless under certain circumstances, such as a person being self employed or covering volunteering expenses. Payments are normally made via cheque, unless the recipient already receives funding from the Council in which case payment is made directly into the organisation's bank account.
 - Start and end of date proposed project or activity

Some basic rules to follow on CLLL ward expenditure

All CLLL projects or activities that are funded must meet most or all of the following aims:

- **Enhance understanding of local areas (including history, geography, demography, local assets and community resources)**
- **Build stronger connections and relationships within communities (networking within and beyond ward boundaries)**
- **Help to identify, assess and prioritise improvements in local areas**
- **Devise practical solutions that engage and involve local people**
- **Work with local people and organisations to deliver those solutions**

CLLL will seek deliberately to encourage a wide range of activities which are likely to be of different scales, delivered within different time periods and have different sizes of expenditure associated with them. It is the Council's intention to make payment processes as simple and quick as possible consistent with effective financial control procedures which are in place to ensure public funds are managed well.

It is not possible to anticipate the scale and type of every spending approval request and therefore specific guidance on individual applications will be offered by Support Officers who are supporting each ward. However, all ward budget spending approval requests will need to meet the following requirements:

- items of expenditure that add up to £500 or less and are one off, can be made by support officers directly;
- single expenditure items:
 - £500 or below will not require a written quotation to be produced
 - greater than £500.00 and up to £2000.00, will require one written quotation from the supplier of the goods or services before payment can be made
 - greater than £2000.00 and up to £4999.00, will require two written quotations from the supplier of the goods or services before payment can be made
 - greater than £4999.00, will require three written quotations;
- in cases where the amount requested is equal or greater than half of the total ward budget, additional requirements may need to be applied depending on the nature of the project or activity proposed (to be determined by Support Officer and ward councillors);
- in extenuating circumstances, if the applicant cannot produce an invoice or quotation in advance, a payment can be made at the councillors' discretion and written approval based on the information submitted in the Approval Form;
- all ward councillors must agree if an application is to be approved and may give their individual approval via email to the Support Officer;
- all expenditure will be subject to the same proof requirements irrespective of the amount i.e. receipts and invoices will need to be produced for all expenditure; and
- any unspent monies from the amount awarded will have to be declared by the recipient and the Council will agree the outcome of this. The Council reserves the right to retrieve unspent monies where a project has underspent or the project/activity has ceased/terminated early/did not take place

What needs to happen once approval has been given for funding?

Whilst CLLL aims to be a simple initiative avoiding unnecessary paperwork and hurdles for all involved, there are some essential best practice steps which will need to be followed:

- a letter confirming the award of funding, signed by all three councillors (or by the Support Officer if authorised by ward councillors), to be issued to the recipient. The CET have a model letter which can be adapted;
- the above letter to be signed and returned to the Council by the organisation/recipient;
- under specific circumstances the recipient organisation will need to demonstrate adherence to specific policies (e.g. vulnerable children/adult);
- visit(s) to the organisation by the Support Officer to establish a face to face relationship; and
- a financial record of the expenditure to be produced by the organisation/recipient following the end of the project or activity.

What information should be kept as proof relating to all payment requests and proofs of expenditure?

Councillors will be aware that this is public money and so extra attention will be required to maintain transparency and accountability for the award of all sums. .

Councillors are requested to ensure all parties, including officers, are keeping appropriate records of (e.g. correspondence of agreement between ward colleagues on approval) and any other relevant information used or considered to support specific decisions of individual expenditure items.

Council Officers will be maintaining records of all requests, approvals, expenditure and any other documents supporting the spending of sums awarded. Officers can assist recipients who have been awarded a sum with setting up financial control procedures as well as help refer them to organisations in the borough for further assistance.

The CLLL initiatives will be subject to internal audit. It is therefore a requirement that all proofs of expenditure be retained at all levels. Officers will ensure that all applicants awarded a sum under this programme retain evidence of all expenditure that they incur on behalf of local projects or activities.

Reporting and publishing the information on expenditure

City Living, Local Life is a flagship programme and it is important for the Council to share what it has achieved with it. As well as information on its achievements with all the projects and activities that have taken place, all financial expenditure will be published on:

- the CLLL web pages and update regularly
- internal reports for officers
- cited at Council meetings
- an annual report for publication as hard copy
- and be subject to Freedom of Information requests
- and reported to Scrutiny Committee as requested

This guidance document reflects Council policies on financial management according to

- the Council's Constitution
- the Council's policy on procurement
- the CLLL Quick Start Guide for Councillors

For any enquiries for further assistance in understanding this guidance please contact:

Monsur.Khan@rbkc.gov.uk | 020 7598 4631