

WORCESTERSHIRE COUNTY COUNCIL

WORCESTERSHIRE COUNCILLORS' DIVISIONAL FUND SCHEME

1. Guiding Principles

- 1.1 The purpose of the Worcestershire Councillors' Divisional Fund (WCDF) is to enable County Councillors to allocate funds to facilitate 'good works' in and for the benefit of their respective Divisions and thereby become more closely involved in their communities.
- 1.2 Members have considerable discretion in how they allocate funds - for example if they wish to use their allowance within the WCDF to top-up their locally determined Highways fund, they can do so.
- 1.3 Allocations of public money from the Fund must be done **lawfully and transparently** i.e., within the Council's legal powers, on a rational basis, and a formal public record made of the spending decision. The Fund must not be used in a way contrary to Council policy.
- 1.4 The WCDF is intended to be, as much as possible, a self-regulating scheme. If Members are unsure about the propriety of their intended allocation or whether it adheres to guidelines, they should seek guidance from the Council's Chief Financial Officer or Head of Legal and Democratic Services or their staff. If still unsure: don't!
- 1.5 Members should ensure that their use of the WCDF adheres to legislation and County Council guidelines (either set out within this Scheme or as given from time to time) and that it is made very clear that any funding which is provided originates from County Council public resources.

2. Scheme principles

- 2.1 The Scheme operated for a trial period from 1 August 2011 until 31 March 2013. The Scheme will continue for each financial year until Council otherwise decides.

- 2.2 The Scheme is established under s236 of the Local Government and Public Involvement in Health Act 2007 which allows local Members to discharge the Council's well-being functions in relation to their local electoral Division (now included within s1 of the Localism Act 2011) and has been agreed by the Leader of the Council in respect of executive functions and full Council in respect of non-executive functions.
- 2.3 Members are being given wide discretion as to how the economic, social or environmental well-being of their Division may be promoted or improved by their use of the WCDF for the benefit of the whole or any part of their Division or those within it.
- 2.4 The WCDF enables each Member to decide items of expenditure which are for the well-being of their Electoral Division. This expenditure will be drawn from a specific WCDF budget allocated to each Member and which may not be exceeded. (The locally determined Highways fund will be maintained as a separate entity).
- 2.5 This WCDF budget will be a maximum of £10,000 per financial year for each Member to spend on 'good works' within their Division. The Scheme allows individual Members to carry forward to the following financial year any underspent amount restricted to 10% of the total annual budget. This will not be cumulative i.e., if 10% is carried forward one year then 20% cannot be carried forward in the following year.
- 2.6 There must be a transparent audit trail in respect of decisions under this Scheme. In compliance with the legislation, **the individual Member is responsible for ensuring a record is made in writing of any decision or action** she or he has taken in connection with this Scheme and must ensure that record is provided to the Head of Legal and Democratic Services within 1 month of the decision or action. The rationale must be clear - any that are unclear will be referred back to the Member, thus causing delay. A standard e-mail template will be supplied for this purpose which will form both the request to process a particular payment and also the record of that decision and reasons for it. Any electronic communication about the Scheme (forms, confirmation of joint Scheme) etc. must be sent from an authorised email address.
- 2.7 The Chief Financial Officer will keep a record of WCDF expenditure in respect of each electoral Division and he or the Head of Legal and Democratic Services will inform Members on request of the balance remaining. The Chief Financial Officer or Head of Legal and Democratic Services will also make an annual report to the Overview and Scrutiny Performance Board, setting out the actual expenditure in each Division and

any issues arising from the operation of the Scheme. Resources Reports to Cabinet may also refer to expenditure under the Scheme.

- 2.8 Priority will be given to maintaining a high profile for the WCDF and the records of expenditure under the Scheme (i.e. a summary of the member request form above) will be publicly viewable on the WCC website and will be held for public inspection on request for 6 years at County Hall.

3. Scheme Specifics

- 3.1 Any decision under this scheme must not be contrary to County Council policy, and the County Council must have legal powers to make the decision and incur the expenditure proposed.
- 3.2 The Members' Code of Conduct applies to the exercise of the Scheme. Members must declare any Disclosable Pecuniary Interest (DPI) or Other Disclosable Interest (ODI) in the proposal. No proposal may be put forward in which the Member has a DPI or ODI which would require the Member to have withdrawn from a meeting. Where there is any doubt over the legality or propriety of the expenditure, either the Head of Legal or Democratic Services or Chief Financial Officer will determine whether the expenditure is lawful and proper, and their decision as statutory officers will be final. Accordingly, where there is any potential concern about the lawfulness or propriety of the proposed expenditure, no firm commitment for expenditure should be made or promised until such advice has been sought and a determination made as needed.
- 3.3 Members may wish to have regard to any Community Profiling in respect of their Division in relation to proposals for the WCDF.
- 3.4 The WCDF should not be used to provide grant-support to commercial enterprises (such as Private Care Homes, Private or Public Limited Companies). The WCDF may be used to support local or national charities or voluntary bodies working within a Member's Division if for the specific well-being of the Division. The WCDF may be used to purchase goods or services from commercial enterprises in order to promote public well-being through use of those goods or services in the local community (see below).
- 3.5 The WCDF should be used for one-off items of expenditure and not for expenditure that would create an on-going financial commitment.
- 3.6 The WCDF cannot be used for direct employment of staff or for gifts or hospitality payments.

- 3.7 Two or more Members may agree on a joint proposal for the whole or part of their WCDF budgets - formal confirmation will be required from all Members involved in the joint proposals. Note that a joint proposal must be of benefit to the Divisions of all Members putting it forward.
- 3.8 Proposals to use the WCDF for road repairs and highway schemes will be referred by the Member to the Business, Economy and Community Directorate to determine the feasibility and cost. Funding for speed cameras is permissible if the camera is used under the guidance, authority, and training of the Police.
- 3.9 Members should consider the financial viability of a potential recipient (such as a local voluntary body) in order to reduce the risk of public money being wasted, and in cases of uncertainty or concern are encouraged to seek advice from the Chief Financial Officer.
- 3.10 Members will be responsible for organising and facilitating any publicity in relation to expenditure from the WCDF which should, where possible, clearly state the link to Worcestershire County Council. Any publicity must be non-party political and in accordance with legal restrictions on the Council, with the periods before elections particularly sensitive.
- 3.11 Where a proposal is for a project that requires funding from more than one source (and not all sources are the WCDF) members are advised to allocate funding to a specific part of the project (e.g., new carpets, disabled toilets, painting etc) rather than put monies into a larger pot. If the payee is VAT registered and can recover VAT on goods or services to be funded, the WCDF grant should be net of VAT.
- 3.12 Under the rules of HM Revenue and Customs, if the grant is to be paid to an individual (rather than a group or committee) to provide a service as opposed to purchasing goods, it is necessary to consider whether the recipient should be classed as an employee of the County Council or self-employed. Only if it has been established that the work to be undertaken is one of self-employment can a payment be made. It is not permitted to engage anyone as an employee using the WCDF. Advice on this can be obtained from Human Resources.
- 3.13 Where a grant is in excess of £1,000 and the payment is to be made directly to a supplier (e.g., to buy football kit on behalf of a team), Financial Regulations must be followed, and competitive quotations obtained. Advice on this can be obtained from Financial Services and Strategic Procurement within the Resources Directorate.

- 3.14 If for any reason the project for which the WCDF has been used does not go ahead, the recipient of the funding must contact the Member in question to discuss alternative proposals for the use of the funding and ensure that any allocation is returned to the Council. Members must ensure that any funding for such projects must be made subject to these conditions, should ensure the WCDF grant has been used for the intended purpose and must update the record supplied to the Chief Financial Officer to reflect any subsequent variation.
- 3.15 Authorisation of expenditure from the WCDF must be made on the pro-forma provided and returned to the Head of Legal and Democratic Services who will arrange publication of the decision and forward it to the Chief Financial Officer. Orders will be placed, where appropriate, using the Council's usual procurement arrangements (for which details can be obtained from Strategic Procurement), or alternatively a cheque will be produced in the name of the recipient.
- 3.16 In the year of a County Council election, no commitments, payments or related publicity may be undertaken once the Notice of Election has been published until after the date of the election. In a year of District Council elections, the presumption would be the same if the member is likely to be a candidate.

4. Review

The scheme will be kept constantly under review and may be altered from time to time by the Leader of the Council. The Chief Financial Officer or Head of Legal and Democratic Services may issue further guidance as necessary.

Update approved by the Leader April 2015

Simon Mallinson
Head of Legal and Democratic Services