

Report to the Leader

Report submitted by: Head of Legal and Democratic Services

Date 31 January 2017

Part I - Item No. 1

Electoral Division affected:
(All Divisions);

Local Member Grants Scheme

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Executive Summary

The Local Member Grants Scheme was introduced in 2006 and provides each County Councillor with a budget of £2,000 to support voluntary, community and faith sector groups in their local area (electoral division). The scheme supports a variety of community activities that benefit members of the public in a Councillor's electoral division.

The principles and guidance for Local Member Grants established when the scheme was first introduced, has allowed Councillors to carry-forward a maximum of £250 of unspent funds into the next financial year.

Parliament's approval of recommendations of the Local Government Boundary Commission for England in November 2016 has resulted in a change to the electoral divisions in Lancashire. These changes will take effect at the County Council's elections on 4 May 2017. In light of this, changes to the guidance issued to County Councillors are recommended for the rest of the 2016/17 financial year to allow the process to be fair, ensuring that all County Councillors following the elections receive a new, equal budget of £2,000.

Recommendation

The Leader of the County Council is recommended to approve the following:

- (i) That, for the remainder of the 2016/17 financial year, the guidance for Local Member Grants be amended so that the usual £250 carry-forward permitted to Councillors does not apply.
- (ii) That any unallocated funding as at 31 March 2017 be transferred to the Local Initiative Fund for the relevant district for 2017/18
- (iii) That, for the remainder of the 2016/17 financial year, the guidance for Local Member Grants be amended so that a single one-off award per Councillor of less than £100 be permitted.

This decision should be implemented immediately for the purposes of Standing Order 34(3) as any delay could adversely affect the execution of the County Council's responsibilities. The reason for this is to give County Councillors as much notice as possible for them to spend any unallocated funds left in their budget for the financial year 2016/17.

Background and Advice

Local Member Grants were introduced in 2006 and provide each County Councillor with a budget of £2,000 to support local voluntary, community and faith sector groups in their area (electoral division). These grants support a variety of community activities that benefit members of the public in a Councillor's electoral division.

The principles for funding and allocation of resources produced in 2006 for County Councillors, allowed the option to carry over a maximum of £250 from one financial year to another; this could only be rolled over for one financial year. This principle has been applied to Local Member Grants throughout the years.

Parliament has recently approved the recommendations of the Local Government Boundary Commission for England following the Commission's review of the County Council's electoral arrangements. The changes which will be effective as from the County Council's elections on 4 May 2017 will result in the abolishment of the existing divisions in Lancashire and will replace them with 82 new ones. In light of this, it is recommended, that for the 2016/17 financial year only, the usual maximum amount of carry-forward permitted to County Councillors for Local Member Grants will not apply. This will ensure a more fair and transparent process for all involved, and all County Councillors will receive a new Local Member Grants allocation of £2,000 for the 2017/18 financial year following the election period.

County Councillors will be required to spend their full allocations prior to the Purdah period beginning on the 24 March 2017. Applications for Local Member Grants must be received by Democratic Services from interested organisations by 1 March 2017 in order for them to be processed in time. Councillors will need to make decisions before 24 March 2017 to allow payments to be made.

Any unspent Local Member Grants will be transferred to the Local Initiative Fund 2017/18 allocation for the district in which the councillor with the unspent money had their division. This will ensure that the funding will not be lost to the third sector in the district area.

In order to allow County Councillors the opportunity to fully allocate their budget, it is also recommended that the guidance on the minimum amount permitted by applicants and the minimum amount per application that can be approved (currently £100) also be relaxed as a one off at the end of the 2016/17 financial year.

It is proposed that County Councillors be allowed to make a single one-off award of less than £100, thereby allowing County Councillors to spend any funds that they may have left in their budgets, but would have otherwise been unable to allocate due to the £100 minimum rule. Councillors may only make one allocation of less than £100, specifically to "spend up" any leftover allocation. Councillors will not be permitted to make two or more allocations of under £100.

The proposed changes to the carry-forward allowance and the minimum amount permitted per application are recommended to be approved on a temporary basis only and it is recommended that the usual rules for Local Member Grants are applied following the election period for the new financial year 2017/18 and beyond.

Consultations

The Director of Governance, Finance and Public Services has been consulted.

Implications:

This item has the following implications, as indicated:

Financial:

The proposals require temporary changes to be made to the financial guidance issued to County Councillors in order that the usual £250 carry-forward allowance permitted to Councillors, does not apply for the 2016/17 financial year. The changes will also allow applicants to submit applications below the usual £100 minimum limit in order to allow Councillors to fully spend up their allocations if they wish to do so.

Risk management

In order to ensure the process leading up to and following the elections is fair and equal for all, changes have been proposed for the Local Member Grants Scheme for 2016/17 to allow existing Councillors the opportunity to fully allocate their budgets, and for all Councillors following the Council's elections to start the new financial year with the same amount of funding.

Any unspent funds will transfer over to the relevant district's pot for the Local Initiative Fund for 2017/18 ensuring the funds are retained within the relevant division for the benefit of local residents.

List of Background Papers

Paper	Date	Contact/Tel
Local Member Grants	29 March 2010	Dave Gorman/01772 534261
Local Member Grants	7 June 2006	Misbah Bhatti/01772 530818

Reason for inclusion in Part II, if appropriate

N/A

Decision Taken: Declarations

Leader of the County Council

Local Member Grants Scheme

Original recommendation, as set out in the report, approved without amendment. Yes/No *

Original recommendation amended and decision as follows: Yes/No *

I have a pecuniary/non-pecuniary interest in this matter. Yes/No *

If an interest is declared please give details below:

.....
Leader

Date

Chief Officer

I certify that this is an appropriate and accurate record within the terms of Standing Order 35(2) and (3) of the decision taken by the Cabinet Member.

.....
Chief Executive

Date

*Delete as appropriate