

EAST AYRSHIRE COUNCIL

IRVINE VALLEY LOCAL COMMITTEE - 31 MARCH 2004

LOCAL COMMITTEE COMMUNITY GRANTS SCHEME – PRIORITISING THE LOCAL COMMITTEE GRANT ALLOCATION

Report by Depute Chief Executive/Director of Corporate Resources

1. PURPOSE OF REPORT

- 1.1 The purpose of this report is to review the current method the Committee uses to prioritise its annual grant allocation. The current method was adopted by the Committee following increasing pressures on its budget, in April 2002. The Local Committee agreed to receive such a report at its meeting on 5 February 2003.

2. BACKGROUND

- 2.1 During the financial years 2000/01 and 2001/02 the Committee had been facing increasing pressures on its budget. The Committee commenced financial year 2001/02 with a significant carry forward of applications that the Committee had wished to give consideration to but could not fund in financial year 2000/01. This carry forward in itself increased the pressure on the Committee's allocation for financial year 2001/02 and as a result the budget that year was fully expended by November 2001.
- 2.2 It was clear at this time there was a problem with cyclical carry forwards of significant numbers of applications from one financial year to the next. The Committee did not wish to refuse these applications at the end of each financial year thus breaking the cycle and relieving pressure on, the next years financial allocation.
- 2.3 Accordingly the Local Committee following a review of expenditure options, agreed that a new method of dealing with the grant allocation was needed, and following consideration of several options, the existing method was adopted by the Committee in 2002.

3. NEW METHOD OF PRIORITISING THE GRANT ALLOCATION

- 3.1 The Local Committee adopted its current method of budgeting based on a percentage "spend" by category. Under the new system the annual grant is equally divided on a meeting to meeting basis using the following categories and weightings:-

Leisure and Sport – 18% of the Local Committee Budget

Older People – 18%

Environmental and Heritage – 18%

Disability – 18%

Young People – 18%

Miscellaneous – 10%

- 3.2** The flexibility of the new system provides scope for adjustments to be made between categories at meetings e.g. if the committee decided to spend more in one category, it could off-set this by a reduced spend in another area. Furthermore, should the Committee over or under spend at one meeting, the amounts available at subsequent meetings would simply be recalculated.
- 3.3** The new system also provides the Committee greater control of their budget as the Committee now focuses their spending on a meeting by meeting basis rather than simply dealing with applications, as they had been, on a first come first served basis.
- 3.4** For example, there have been occasions where applications have been continued to a future meeting where the nature and timing of a project, when considered against the budget for the meeting, has allowed this to happen. Furthermore opportunities have been taken to continue applications for investigation of alternative funding sources when this has been appropriate, in the knowledge that the new system ensured that there would be funding available throughout the financial year for disbursement.
- 3.5** It should also be noted that there is a developing awareness by organisations applying for grants that funding will be available throughout the year and as a consequence applications are more evenly spread between meetings.

4. CONCLUSION

- 4.1** Despite a large carry forward to financial year 2002/03 the Committee was able to deal with the majority of applications coming before it that year, under the new system.
- 4.2** Furthermore there was no large carry forward of applications to financial year 2003/04 and the Committee now looks to be in a position that they will be starting financial year 2004/05 with no applications being carried forward.
- 4.3** Accordingly it can be confirmed that the aims of the new grant disbursement process have been achieved primarily in the avoidance of large carry forwards of applications which has always put pressure on future budgets at the start of the year and perpetuated funding problem throughout the yearafter.

5. RECOMMENDATIONS

- 5.1** It is recommended that the Committee:-
- (i) note that the aims of the new budgeting process have been achieved;
 - (ii) consider whether they wish to continue with the current method of budgeting; and
 - (iii) otherwise to note the contents of the report.

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16 March 2004

List of Background Papers – Nil

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