

BRISTOL CITY COUNCIL

CABINET

10 December 2009

**Report of: Strategic Director, Neighbourhoods
Strategic Director, Resources**

Title: Neighbourhoods: Devolved Service Budgets for 2010/11

Ward: Citywide

Contact telephone number: (0117) 9223290

RECOMMENDATION

- 1. That the Cabinet agrees the apportionment of budgets to Neighbourhood Committees and notes that changes may be made to these budgets with the approval of the relevant Strategic Director.**
- 2. That the Cabinet notes the Financial Operating Framework.**

Summary

On 1st October 2009, Cabinet resolved to establish Neighbourhood Committees. The "Devolution to Neighbourhoods" paper, which accompanied that decision, set out the approach and timetable to devolving decision-making to Neighbourhood Committees. The purpose of this report is to enable Cabinet to allocate and apportion the Neighbourhood Committee budgets and note the methodology and the Financial Operating Framework for them.

The significant issues in the report are:

- (a) Proposed apportionment of budgets to committees, indicating the rationale behind the allocations, any restrictions applicable to the funds and the information that will be provided to Neighbourhood Committees to inform decisions on expenditure or the influencing of priorities. (Appendices 1 and 2.)
- (b) Establishment of a 2010/11 Financial Operating Framework for committees that meets the council's fiduciary duties. (Appendix 3.)

Policy

1. The Cabinet report established the principle of moving from centralised decision making to localised decision making for some services (para 4.7). The services below are those listed in the Cabinet report (4.13) although it should be noted that there is some variation in the exact budgets devolved, now that more detailed financial analysis has been undertaken. This results in a revised total devolved budget of £13.589m, an overall increase of £2.65m.
2. The report distinguished between those services where actual spending budgets were devolved and those where the devolution was in relation to the authority to set priorities for existing staff – hence “influencing” rather than spending the devolved budgets. However it is important to emphasise that in both cases these are existing budgets and not additional or new spending: hence the reports which will be prepared for Neighbourhood Committees will set out clearly the current situation in relation to known demands or priorities. In the case of “influencing” budgets, these will be apportioned based on the known pattern of spend between neighbourhoods in 2009/10 as the basis for apportionment for 2010/2011. This may be based on best estimates of time spent by staff working in particular neighbourhoods.
3. The 1st October 2009 Cabinet report stated at 4.11:
“The distribution of services to individual wards and neighbourhood partnerships will vary, as now, depending on a variety of factors such as population, size, background, mix of existing provision and special needs. This raises the complex issues of the formula for allocating resources between areas. The formula for allocating resources will be published so as to ensure complete transparency and to promote confidence.”
4. Appendix 1 and 2 sets out in detail the proposals for apportionment for each devolved service. In summary these are:

Devolved Budgets	Allocation mechanism
Well-Being budget	Equal Per ward.
Community Centres/Buildings	Fixed allocation to each of 5 buildings still under the Council's direct management.
Recycling Bringbanks	Number of recycling sites their and cleaning in each neighbourhood.
Environmental Projects	Allocated according to the amount of time the operating team spend on each projects
Highway Maintenance	Existing assessed priorities – specific amounts will be available in until January 2010.
Minor Traffic Schemes	Equal allocation per Neighbourhood Committee for first year.
Influenced Budgets	Allocation mechanism
Community Safety Staff	Staff resource allocated according to neighbourhood needs and priorities based on current patterns.
Street Cleaning	Based on estimated spend per Neighbourhood reflecting level of cleansing currently being carried out.
Parks and Green Spaces and Grounds Maintenance	Based on Estimated spend per Neighbourhood for ground Maintenance and Estate costs in the area.
Community Engagement and Community Cohesion	Staff resource allocated according to neighbourhood priorities and to support resident engagement in devolved structures.

5. As stated these are existing budgets, which will be used to deliver services from April 1st 2010. In the case of Highway Maintenance and Minor Traffic, the services need decisions from Neighbourhood Committees in this financial year in order to not delay the work programme for 2010/2011, and so these reports have been provisionally scheduled for the February 2010 Neighbourhood Committee meetings. Environmental Services are likely to be scheduled for decisions at the following cycle of meetings, but will continue to operate based on known demands and priorities until such consideration takes place.

6. The Cabinet report made a clear commitment to a learning approach for the first year (Item 5 of the summary, and 2.2 c). It is intended to systematically seek feedback on all aspects of implementation during this process, and this will include the budget apportionment for the first year. Accordingly the end of year review will consider this issue and if necessary make adjustments in time to feed into the 2011/12 budget apportionment.

7. No virement between budgets will be allowed during the first year (2010/11) of devolved budgets, but Cabinet intends to introduce greater flexibility in future years to enable decisions to be tailored around local needs.

8. Where a service is contracted out there maybe less ability to make quick changes. Much will depend on the degrees of flexibility built into the contract. Future tendering process will take account of the need for greater local flexibility.

Legal and Resource Implications

Legal Implications

9. The Council has a duty to manage its finances prudently and to have arrangements in place to ensure that it can do this. These recommendations should ensure that Neighbourhood Committees are subject to the same disciplines as the rest of the Council's activities.

10. As has been explained in previous reports, councillors are answerable to the electorate for the decisions they take. So they may not share responsibility for those decisions with co-optees, consultees or third parties. This is particularly critical with responsibility for financial and budgetary matters.

Legal advice given by: Dru Brooke-Taylor for Head of Legal Services.

Financial Implications

11. Appendices 1 and 2 contain information from Service Managers on the apportionment of the following 2010/11 budgets across Neighbourhood Committees, including what the budgets pay for, any restrictions on the use of funds and what information will be made available to Committees to direct or influence expenditure.

Devolved Budgets	£'000	Revenue or Capital	Influenced Budgets	£'000	Revenue or Capital
Well-Being budget	350	Revenue	Community Safety Staff	250	Revenue
Community Centres/Buildings	128	Revenue	Street Cleaning	5,600	Revenue
Local recycling Centres	482	Revenue	Parks and Green Spaces and Grounds Maintenance	4,682	Revenue
Environmental Projects	50	Revenue	Community Engagement and Community Cohesion	700	Revenue
Highway Maintenance	1,000	Capital			
Minor Traffic Schemes	197	Capital			
Minor Traffic Schemes	150	Revenue			
Total	2,357		Total	11,232	

12. Appendix 3 is the Financial Operating Framework for Neighbourhood Committees, highlighting in summary form the Finance and Procurement regulations that must be adhered to. This information will be included as part of the councillor training programme and the document remains flexible as lessons are learned and the methods of operation need to be amended.

Financial Advice given by: Simon Bowker, Head of Finance, Neighbourhoods.

Land None

Personnel None

Eco-Impact Assessment

The proposed devolution of budgets transfers decision-making powers to neighbourhood committee. The environmental policy, procedures, standards etc of the City Council will continue to apply to the work and decisions and officers supporting the committees will ensure that decision makers are aware of these requirements. There is therefore no effect upon the environment as a result of these decisions.

Appendices:

- Appendix 1: apportionment of devolved budgets
- Appendix 2: apportionment of influenced budgets
- Appendix 3: Financial Operating Framework for Neighbourhood Committees

ACCESS TO INFORMATION

Background Papers

- Cabinet Report of 1st October entitled “Devolution to Neighbourhoods” and the Minute of that decision.
- The Council’s Financial and Procurement Regulations (accessible on the Council’s website).

Budget Description	Well-Being Budget	Community Centres/Buildings	Bringbanks	Environmental Projects	Highway Maintenance	Minor Traffic Schemes	Total devolved budget per Neighbourhood committee
Accountable Officer	Gillian Douglas	Gillian Douglas	Tracey Morgan	Tracey Morgan	Peter Brook	Terry Bullock	
Headline information of what this budget pays for (ie. staffing levels, summary contract info, etc.)	£10k per ward to deliver projects and events. Projects usually delivered by local voluntary or community groups – to improve the neighbourhood/quality of life of residents.	Covers the cost of insuring, repairing and maintaining 5 community buildings that have not yet been transferred to the voluntary sector.	This budget pays for the installation, collection of materials from the plastic, paper and glass banks as well as collecting the flytipping that occurs at these sites on a sheduled basis	This budget is used for environmental improvements such as paint and materials to paint out graffiti.	This budget covers the cost of delivering the annual surface dressing programme and £400,000 of the footway resurfacing programme.	The allocated budget will be used to develop agreed priority schemes through to implementation.	
Are there any restrictions or specific rules governing the use of this fund?	No.	Budget is allocated to the following buildings : St Werburghs Community Centre, Filwood Community Centre, Shirehampton Public Hall, Malcolm X Centre and Avonmouth Community Centre	Only contractual rules between SITA, Recresco and BCC	There is a Clean and Green Board in place which will need to be looked at in terms of future requirements.	The Council has to maintain the highway within the recourses available. These programmes are the most cost effective treatments available and can only be substituted by less work or a similarly cost effective treatment.	The funding to be used will be part of the annual LTP capital allocation although it may, possibly, be that some revenue funding is used since £100,000 was allocated to this budget area during 2009/10. Either way it is proposed that the total available funding allocated to the Neighbourhood Committees will be £300,000. Any schemes implemented will have to conform to current design standards and legislation.	
Type of information to be available to Neighbourhood Committees to inform the use of funding on local priorities	Activity to be funded must relate to the neighbourhood action plan overseen by the Neighbourhood Partnership.	Details of the centres, their budget, activities and services delivered and future plans for asset transfer.	Information is collected relating to the tonnage of recycleate collected as well as frequency of cleansing and fly tip removal.	Information on projects proposed by the Clean and Green officer.	An annual priority list of schemes for the whole city will be produced. The funded and non funded schemes and proposed treatments within the Partnership area will be presented to the Partnership for consideration.	Budget estimated costs will be prepared for identified priority schemes to help members determine which ones to implement. Full costing of design and works elements will be available as required with year end costs being reported to the first meeting of the new Committee.	
Revenue Funding							
Base Budget 2010/11	350,000	128,000	481,629	50,000		197,000	1,206,629
Carry Forward deficit or surplus from 2009/10							0
Total Revenue Funding available to allocate 2010/11	350,000	128,000	481,629	50,000	0	197,000	1,206,629
Capital Funding							
Base Budget 2010/11					1,000,000	150,000	1,150,000
Carry Forward deficit or surplus from 2009/10							0
Total Capital Funding available 2010/11					1,000,000	150,000	1,150,000
Total Funding to allocate	350,000	128,000	481,629	50,000	1,000,000	347,000	2,356,629
Method of apportionment	£10k per ward.	Fixed allocation to each of 5 buildings.	The budget has been allocated based on the number of Bringbank sites in each Neighbourhood (50 plastic sites and 47 sites for glass and paper, plus the cost of cleaning each site)	This is assessed on the amount of time that the Clean and Green operation team spend in each of the NP areas	The budget allocated to each partnership will cover the value of schemes allocated to each Partnership from the priority list for the whole of the city. This value will vary year by year depending on the deterioration of the network.	Demands for traffic schemes vary across areas. For the first year the available funding is split between all 14, based on the number of wards and or partnerships. NPs funding split may need to be reviewed in future years. Taking account of such factors as the number of accidents, traffic flows, population etc. * £47k will be allocated to the estates affected by narrow roads (not yet allocated below) ** Further significant budget devolution anticipated in 2011/12, following completion of Cycling City commitments.	
Reasons why this particular formula was selected	Consistent allocation of small revenue fund across every ward of the city.	Commitment to maintaining these buildings for benefit of local community. Long term aim is to transfer the assets to be managed by local management committees.	This is considered to be the most accurate method of apportionment	This is considered to be the most accurate method of apportionment	Need to repair areas in greatest need across whole of city	To be as equitable as possible in the first year	
Share per Neighbourhood committee							
Avonmouth and Kingsweston	20,000	41,000	£39,374	5,000	Not available until January 2010.	17,143	122,517
Henbury and Southmead	20,000	N/A	£23,035	2,500	Not available until January 2010.	17,143	62,678
Henleaze, Westbury-on-Trym and Stoke Bishop	30,000	N/A	£30,593	2,500	Not available until January 2010.	25,714	88,807
Horfield and Lockleaze	20,000	N/A	£15,958	2,500	Not available until January 2010.	17,143	55,601
Redland, Cotham and Bishopston	30,000	N/A	£10,926	2,500	Not available until January 2010.	25,714	69,140
Frome Vale, Hillfields and Eastville	30,000	N/A	£22,654	5,000	Not available until January 2010.	25,714	83,368
Cabot, Clifton and Clifton East	30,000	N/A	£41,559	2,500	Not available until January 2010.	25,714	99,773
Ashley, Easton and Lawrence Hill	30,000	31,100	£91,398	5,000	Not available until January 2010.	25,714	183,212
St George East and St George West	20,000	N/A	£28,027	3,750	Not available until January 2010.	17,143	68,920
Brislington East and Brislington West	20,000	N/A	£53,307	3,750	Not available until January 2010.	17,143	94,200
Bedminster and Southville	20,000	N/A	£49,458	2,500	Not available until January 2010.	17,143	89,101
Knowle, Filwood and Windmill Hill	30,000	55,900	£34,723	5,000	Not available until January 2010.	25,714	151,337
Hengrove and Stockwood	20,000	N/A	£13,392	2,500	Not available until January 2010.	17,143	53,035
Hartcliffe, Bishopsworth and Whitchurch Park	30,000	N/A	£27,225	5,000	Not available until January 2010.	25,714	87,939
	350,000	128,000	481,629	50,000	1,000,000	300,000	2,309,629

MY NEIGHBOURHOOD - BREAKDOWN OF INFLUENCING BUDGETS 2010/11 PHASE 1

APPENDIX 2

23-Nov

Budget Description	Community Safety Staff	Street Cleaning	Parks and Green Spaces (including Park Keepers) and Grounds Maintenance	Community Engagement, Community Cohesion and Neighbourhood Management	Total devolved budget per Neighbourhood committee
Accountable Officer	Rick Palmer / Alison Comley	Tracey Morgan	Tracey Morgan	Gillian Douglas	
Headline information of what this budget pays for (ie. staffing levels, summary contract info, etc.)	Staffing Levels - seven Community Safety Officers and two Assistant Community Safety Officers working across Bristol. All officers based within 6 of the 7 Neighbourhood Policing Teams. The Cabot and Clifton Neighbourhood Policing Area is supported by Safer Bristol through project based work delivered by Project Officers.	This pays for all operational resources associated with servicing the street scene such as vehicles, equipment, salary, supervision etc.	Costs of planned maintenance for Parks and Green spaces, either delivered via contract (south and central Bristol) or in-house services (east and north Bristol plus the estates excluding Ashton Court). Includes: labour, machinery, and other operational equipment. Park keepers are also included as they are part of the planned maintenance regime. See note below.	Staffing levels for the Community Engagement and Community Cohesion Teams (total £700k) in Community Development	
Proposed arrangements for influencing of budget in 2010/11	Officers are a citywide resource supporting evidenced community safety issues. Budget will remain in current arrangements to support existing team and service provision.	Committees will be able to request local issues to be prioritised. The information will be used by officers of the Waste Services and Street scene Team who will investigate the viability and cost of the request including potential impact on NI195 and 196.	For the two large contracts for south and central Bristol the budget is allocated wholly to works defined within the grounds maintenance contract. However there is some scope to influence specifications subject to this being in line with the contract. For the in-house areas the labour, machinery etc is deployed across a number of NPAs and could be influenced on a site by site basis.	These teams work to support community engagement through NPs across the city and to act as a resource for cohesion building work.	
Type of information to be available to Neighbourhood Committees to inform the influencing of funding on local priorities	Progress and impact made by staff on tackling and resolving evidenced community safety priorities through the PACT and Neighbourhood Partnership reporting structures.	The Neighbourhood committees will have area based information such as incidence of fly tipping, routing information such as frequency of routine cleansing, numbers of incidences of graffiti cleansed by NP area etc	Details of specifications, budgets, staffing levels and quality monitoring data. Plus city wide and/or local market research data and customer feedback.	Information about voluntary and community sector activity in the area, the make up of the local community, local community engagement plan, levels of community tension and community cohesion priorities	
Revenue Funding					
Base Budget 2010/11	250,000	5,600,000	4,681,636	700,000	11,231,636
Carry Forward deficit or surplus from 2009/10					0
Total Revenue Funding available to allocate 2010/11	250,000	5,600,000	4,681,636	700,000	11,231,636
Capital Funding					
Base Budget 2010/11					0
Carry Forward deficit or surplus from 2009/10					0
Total Capital Funding available 2010/11					0
Total Funding to allocate	250,000	5,600,000	4,681,636	700,000	11,231,636
Method of apportionment	Staff resource allocated according to neighbourhood needs and priorities based on current patterns	Based on Estimated spend per Neighbourhood reflecting level of cleansing currently being carried out	Based on Estimated spend per Neighbourhood for ground Maintenance and Estate costs in the area.	Staff resource allocated according to neighbourhood priorities and to support resident engagement in devolved structures	
Reasons why this particular formula was selected	Estimated level of staffing resource (£) per NC	Estimated level of resource (£) per NC	Estimated level of resource (£) per NC	City wide resource	
Share per Neighbourhood committee					
Avonmouth and Kingsweston	20,000	284,345	604,422	50,000	958,767
Henbury and Southmead	25,000	284,345	149,321	50,000	508,666
Henleaze, Westbury-on-Trym and Stoke Bishop	5,000	379,127	200,006	50,000	634,133
Horfield and Lockleaze	17,500	463,987	211,290	50,000	742,777
Redland, Cotham and Bishopston	20,000	541,318	153,557	50,000	764,875
Frome Vale, Hillfields and Eastville	20,000	541,318	489,336	50,000	1,100,654
Cabot, Clifton and Clifton East	10,000	463,987	469,694	50,000	993,681
Ashley, Easton and Lawrence Hill	27,500	463,987	392,776	50,000	934,263
St George East and St George West	10,000	379,126	254,967	50,000	694,093
Brislington East and Brislington West	20,000	386,656	305,384	50,000	762,040
Bedminster and Southville	12,500	284,345	174,126	50,000	520,971
Knowle, Filwood and Windmill Hill	25,000	463,987	312,082	50,000	851,069
Hengrove and Stockwood	17,500	284,345	541,620	50,000	893,465
Hartcliffe, Bishopsworth and Whitchurch Park	20,000	379,127	423,055	50,000	872,182
	250,000	5,600,000	4,681,636	700,000	11,231,636

**BRISTOL CITY COUNCIL
2010/11 FINANCIAL OPERATING FRAMEWORK
NEIGHBOURHOOD COMMITTEES**

Contact Officer: Simon Bowker, Head of Finance (General Fund),
Neighbourhoods

1 Summary

- 1.1 This operating framework describes the financial arrangements which will apply to devolved budgets for Neighbourhood Committees from February 2010 until the end of the 2010/11 financial year.
- 1.2 The framework outlines:
- Adherence to financial regulations
 - Approach to spending the resources allocated to each Neighbourhood Committee
 - Arrangements for keeping Neighbourhood Committees aware of spending commitments
 - Restrictions on the application of funds
 - Treatment of year end surpluses or deficits
 - Roles and responsibilities of key stakeholders
- 1.3 This document provides summary guidance only. Any financial queries outside of the scope of this framework should be directed to the designated person in the appropriate finance team, in the first instance.
- 1.4 The first full year of operation (2010/11) will be transitional in terms of budget devolution and will provide an important learning opportunity. This framework remains flexible and will be adapted as lessons are learned and re-issued to Neighbourhood Committees where rules of operation are changed.

2 Financial and Procurement Regulations

- 2.1 All expenditure decisions must be conducted in line with the Council's Financial and Procurement Regulations, which can be viewed on the intranet. This will ensure compliance with the principles of decision-making under the Council's constitution and be consistent with the Council's budget and policy framework. It should also enable Neighbourhood Committees to demonstrate that value for money is being demonstrated in the use of public funds.
- 2.2 These regulations include details of:
- Roles and responsibilities of Officers, Members and Internal Audit, including the areas of Risk Management, preventing Fraud and Corruption, budget preparation, management and control and declaration of personal interests.

- Asset leasing, security of assets, Insurance, VAT, petty cash, Allowances and Expenses, external Fees and Charges and employment status of individuals engaged by the Council.
- Contract procedures and Procedure Regulations, including the need for at least three competitive quotations for contracts between £2,500 and £75,000, and the use of the Bristol E-Procurement System for those between £10,000 and £75,000.
- Contracts above £75,000 will involve the use of either Restricted Tenders, Framework Agreements, Approved Lists, Negotiated Tendering or Competitive Dialogue.
- A contract shall not be extended beyond the period originally contracted for or for additional works, goods or services unless either the contract conditions specifically allow for this or the extension has been approved in writing by a Council officer with authority to do so.
- Contracts above the EU Procurement threshold (currently £144,459 for goods or services and £3,611,474 for works) must be tendered in accordance with EU rules.
- External Partnership Arrangements, including:
 - a) ensuring that partnership arrangements are underpinned by clear and well documented internal controls.
 - (b) risk management processes are in place to identify, assess and allocate all known risks.
 - (c) appraisal processes are in place to assess the viability of the partnership in terms of resources, staffing and expertise.
 - (d) adequate arrangements are in place to ensure the accountability of other organisations for Council money, and that such money is only released against proper controls.
- Where the anticipated value of a contract for any works or service contract is more than £100,000 the client must assess the operational risk to which the Council will be exposed and whether therefore to require a performance bond and/or a parent company guarantee from some or all potential tenderers.

3 Spending budgets

- 3.1 The rationale by which budgets have been apportioned across Neighbourhood Committees will be shown for each separate budget. Apart from those budgets which are divided equally, the allocation formulae will be flexible and may change each year as part of annual policy and budget-setting process and in consultation with Neighbourhood Committees.
- 3.2 There are two types of resources devolved to Neighbourhood Committees:
 - Devolved non-staff budget allocations: these will be directly controlled by committees, i.e. they will make the actual spending decisions for these budgets to be implemented by Officers and Area Co-ordinators.

- Influenced Staffing budgets: these will be influenced by committees at a local level through consultation and debate with Officers.
- 3.3 In 2010/11, all resources allocated to Neighbourhood Committees must be spent on the purposes for which the existing budgets are intended. This means that committees cannot transfer funds between services in the first year, e.g. the budget for mini recycling sites cannot be redirected to minor traffic schemes.
- 3.4 The Area Co-ordinator is the first point of contact for these budgets and will work closely with Finance staff across directorates. They will be given access and training in the Council's finance and procurement systems for the purposes of monitoring budgets and contracting (whether internal or external). The accountable officer for budgetary purposes will be the existing Officers responsible for each service (under the relevant Strategic Director) and they will be required to ensure that the Authority's regulatory framework is adhered to.
- 3.5 Expenditure in each Neighbourhood Committee must focus on local priorities that are significant in terms of improving service delivery and environmental conditions, community safety, promoting well-being, encouraging, community engagement and involvement, and creating a sustainable legacy and identity within neighbourhoods. Officers will provide Neighbourhood Committees with operational and strategic information to inform the use of funding.
- 3.6 Devolved budgets cannot be used to provide charitable donations or purchase gifts for individuals. Nor can they be applied to any activities or projects that would have a detrimental effect upon Council service delivery, policies or performance.

4 Financial monitoring

- 4.1 For the Council to establish an accurate picture of its financial status, plan and make effective decisions, correct and consistent classification of expenditure is necessary, as is accurate financial forecasting.
- 4.2 Consolidated financial monitoring information relating to all apportioned revenue budgets will be reported separately to each committee at the start of the financial year, mid-year and at year end.
- 4.3 At interim periods, the Area Co-ordinators may report the financial position or respond to queries from the Neighbourhood Committee through use of the finance system, verified if necessary by Finance staff.

5 Restrictions on the application of funds

- 5.1 As part of the process of apportioning funds, Officers have identified any restrictions governing the use of the resources (such as statutory

duties) and this information will be made available to Neighbourhood Committees.

- 5.2 In the first full year of operation (2010/11), Committees cannot pool resources between Neighbourhood Partnerships, ie. Avonmouth and Kingsweston cannot combine its budgets with Henleaze, Westbury on Trym and Stoke Bishop.
- 5.3 Budgets devolved to Committees will be either revenue or capital funds. There is flexibility in that revenue monies can be allocated to capital purposes (although not vice versa) but such items of expenditure have to be accounted for differently. This is an important distinction. Expenditure for capital purposes results in the acquisition or construction of a fixed asset (e.g. land, building, vehicle or equipment) or the enhancement of an existing fixed asset. Fixed assets have an expected useful life of longer than one year.
- 5.4 Area Co-ordinators should consult Finance staff to ensure that the correct accounting treatment is applied to expenditure for capital purposes and further guidance on the difference between revenue and capital expenditure can be distributed. It should be noted that should the project abort, the costs would need to be re-charged back to a revenue budget, not a capital budget. Only assets with a value greater than £20k are entered on the Council's fixed asset register. This is the "de minimis" level.
- 5.5 Neighbourhood Committees need to be aware of the potential ongoing revenue implications arising from capital schemes (e.g. maintenance, security, etc.) as they will also need to be funded from their revenue budget and could represent a limiting factor in future years. Equally, some capital investment may generate revenue savings, energy efficiency measures for example, which would have a positive financial impact in future years and can be retained by the Committee should they exceed increased energy prices. Therefore, when considering the feasibility of a particular scheme, the revenue consequences must be identified, understood (and provided for in the case of ongoing costs) before any capital spend is committed. In such instances, Committees should request guidance from Officers and Finance staff.

6 Treatment of year end surpluses or deficits

- 6.1 At the end of each financial year, any revenue surplus (underspend) or deficit (overspend) will be carried forward to the next financial year in the form of a budget adjustment. This will apply to each allocated budget separately (i.e. an underspend on one budget cannot be used to offset an overspend on another).
- 6.2 The year end out-turn against each budget will be reported to Neighbourhood Committees as part of the half-yearly reporting process.

7 Roles and responsibilities of key stakeholders

- 7.1 The constitutional basis of Neighbourhood Committees is separately described in their Terms of Reference.
- 7.2 Members of Neighbourhood Partnerships who are not ward councillors are unable legally to vote on delegated decisions. (This is a matter of the legal framework for all Local Authorities and is not a decision by BCC.) However the view of Neighbourhood Partnership members are very important and will be given careful consideration by Neighbourhood Committees when taking such a decision.
- 7.3 Each Neighbourhood Committee must maintain proper accountability over the use of resources to ensure that public accountability and high standards of financial integrity are exercised. To this end, supplementary financial training will be provided to committee members, as required, and financial monitoring information will be provided in a simple and consistent format.
- 7.4 Area Co-ordinators will be the primary point of contact for monitoring and reporting on budgets to Neighbourhood Committees. They will be supported in this by Finance staff, and the restructuring of the existing budgets on the finance system to enable transparent and efficient access to information across directorates.
- 7.5 Area Co-ordinators will be required to submit or sign off forecast expenditure figures, as per the quarterly reporting cycle, for consolidation by Finance staff as part of the corporate financial monitoring process. This timetable will be clearly communicated at the start of each financial year. Where forecasting responsibility continues to sit with the existing service manager, then this information will need to be communicated to the Area Co-ordinator for monitoring purposes.
- 7.6 Officers and Area Co-ordinators will ensure there are adequate segregation of duties in the ordering and paying for goods and services and that appropriate records are kept of expenditure decisions as may be required for inspection by Internal Audit or Audit Committee.