

**OVERVIEW AND SCRUTINY
22 MARCH 2016**

***PART 1 – PUBLIC DOCUMENT**

AGENDA ITEM No.

14

TITLE OF REPORT: MEMBERS' QUESTIONS

Question from Councillor Cathryn Henry on behalf of the Members of the Overview and Scrutiny Committee for the Executive Member for Community Engagement and Rural Affairs and the Executive Member for Policy, Transport and Green Issues:

“Can the Executive Members for Community and Rural Affairs and for Policy, Transport and Green Issues please:

- Confirm if the entire £84,000 cut in grant funding* has been taken from area committee budgets;
- Confirm this decision was made in full consultation by the Executive Member(s) responsible for Grant Funding, and in turn by Cabinet;
- Explain what consultation has taken place with Members about how the cuts in grant funding should be implemented;
- Reassure the Committee that the effect of the severe delays** in the Grants Review has not resulted in the cuts being made crudely without the benefit of Members' guidance. A completed Review would have enabled the Council to manage the cuts in grant funding in a considered and strategic way taking into account the Council's and the community's long term needs.”

* On February 11 2016, Council agreed to efficiencies of £347,000 in 2016/17. This included a cut of £84,000 in the Council's grants budget. The wording of Efficiency Number 11 was:

“To reduce overall NHDC grant budgets in 2016/17. For example, were we to reduce the grant budget by the expected 20% reduction to our overall Government Funding, the budget of £418K would reduce by £84K to £335K.”

** The Committee received a report from the Task and Finish Group on Grants in June 2013, which Cabinet endorsed at its meeting in July 2013. Furthermore, the Council's review of its grant policies has been further postponed with the long awaited grants policy review report being withdrawn yet again from the Overview and Scrutiny Committee's agenda for its meeting on 22 March 2016. The Committee has not seen a report on this subject since July 2014, nor has Cabinet since August 2014.

Response from the Executive Member for Community Engagement and Rural Affairs, Cllr Tony Hunter, and the Executive Member for Policy, Transport and Green Issues, Cllr Julian Cunningham;

First, to set the question itself in context of the budget decisions which have recently taken place and been agreed, and particularly the opportunities afforded to all members of the Council to respond to proposals for both growth and efficiency.

Member workshops, held on 4th and 5th November 2015, provided the first opportunity for all members to have sight of and comment on the proposals for growth and efficiency being made for the 2016/17 financial year.

The Cabinet report of 26th January 2016 regarding Growth and efficiency proposals stated under 'consultation with external organisations and ward members' that "All Councillors were given opportunity to comment on the efficiency and investment proposals at the Budget Workshops held on the 4/5 November 2015. Notes of the comments raised at the workshops were attached to the Draft Budget report in December".

The proposal, which as the narrative in the budget papers quoted confirms, *suggested* a 20% reduction in the Council's overall grant funding; hence by the use of the term 'for example' members at those workshops may have wished to suggest an alternative % reduction for consideration. Comments received were that there was agreement 'in principle' subject to the outcome of the grants review, that any reduction should be subject to analysis of specific groups which would be affected and/or that it could be supported provided the capital growth proposal, aimed at the improvement of urban and rural facilities went ahead.

In discussion with the Executive Members for Policy and Green Issues and Community and Rural Affairs, it was agreed that it would be unwise to amend the current 'Memorandum of Understanding' payments made to organisations such as CAB and NHCVS, as to remove funding without due consideration of individual impacts could be detrimental in terms of homelessness, debt advice etc

At its meeting in January 2016, the Overview and Scrutiny Committee received a presentation by the Executive Member for Community and Rural Affairs, assisted by the Head of Policy and Community Services, at which the following points arising from the Grants Review were mentioned and captured in the Minutes thus;

"THE MAIN CHALLENGES

MANAGING EXPECTATIONS

NHDC had always been a high funder of grant awards, however, with the spending review and other constraints on budgets, the local community and voluntary sector will need to build greater sustainability as the amount of funding available reduced.

CAPACITY

The amount of Officer time and the number of volunteers in the community would become a bigger factor, given the needs of an aging population and childcare needs.

SKILLS

The voluntary Sector will increasingly be required to work in different ways in order to take on services or facilities. It will be important to ensure that these groups have access to

opportunities to develop”

Thus whilst the sum of £84k has been removed from the discretionary (area committee) budgets to enable the authority to balance its budget as proposed, it should also be borne in mind that through these same workshops and committees has been agreement of growth. £1m capital for expenditure across the next four financial years has been secured, as the grants review found that for many groups it is smaller capital sums which are proving harder to secure.

At the 11th February 2016 meeting of Full Council, all budget papers were submitted for consideration by the Council’s members and it was agreed

(7) That the inclusion of the efficiencies and investment proposals set out in Appendices 3 and 4 of the report in the final General Fund budget estimates for 2016/17, be approved;

Appendix 3 included two efficiency proposals, one the suggested 20% reduction in the grants budget and the other a suggested reduction in awards made through current ‘Memorandum of Understanding’ payments which will be subject to further review in the light of individual organisations’ ability to raise funding either alongside or in lieu of funding from NHDC. These decisions are yet to be proposed and at such time, will of course be subject to member review and consideration. Appendix 4 contained the capital growth proposal toward the improvement of urban and rural facilities.

The question also refers to ‘severe delays’ in the completion and report back on the Grants Review. The report which will come forward at the next Committee cycle in June will include not only the outcome of the various tasks arising from the Overview and Scrutiny Task and Finish Group on Grants, but will confirm actions which have by necessity i.e. to ensure compliance with financial or other regulations, been completed. There have and remain several areas and actions where the original recommendation has been overtaken by other initiatives such as the review of commissioning by Herts County Council, the long awaited Cabinet Office report on the award of Grants by local authorities etc.