

**OVERVIEW AND SCRUTINY
21 MARCH 2017**

***PART 1 – PUBLIC DOCUMENT**

AGENDA ITEM No.

11

TITLE OF REPORT: REVIEW OF NHDC MEMORANDUM OF UNDERSTANDINGS (ANNUAL GRANT AWARDS) – CITIZENS ADVICE NORTH HERTS, NORTH HERTS CENTRE FOR VOLUNTARY SERVICES & NORTH HERTS MINORITY ETHNIC FORUM

REPORT OF THE STRATEGIC DIRECTOR OF FINANCE, POLICY & GOVERNANCE

EXECUTIVE MEMBERS: COUNCILLORS TONY HUNTER AND JULIAN CUNNINGHAM

1. SUMMARY

- 1.1 To provide Cabinet with feedback and proposals in regard to the recommendations arising from the review of the Authority's Grant Policy Report of June 2016.
- 1.2 As funding pressures are existing and continuing the Council will need to review all areas of spend particularly discretionary spend, and to meet latest requirements, including contractual, financial, equality and transparency regulations.

2. RECOMMENDATIONS

That Cabinet:

- 2.1 Note the information provided by Citizen's Advice North Herts, North Herts Centre for Voluntary Services and the North Herts Minority Ethnic Forum, in line with the monitoring arrangements under their current Memorandum of Understandings with the Authority.
- 2.2 Agree the proposed future contractual arrangements with Citizen's Advice North Herts, North Herts Centre for Voluntary Services and the North Herts Minority Ethnic Forum re the provision of services for the next three years through to March 2020.

3. REASONS FOR RECOMMENDATIONS

- 3.1 The recommendations proposed are as informed by the Cabinet recommendations made as part of the review on the Grants Policy and financial assistance to community groups & organisations on 14th June 2016 and the further review of NHDC Memorandum of Understandings made to Cabinet on 20th December 2016.

<http://web.north-herts.gov.uk/aksnherts/users/public/admin/kab12.pl?cmte=CAB&meet=101&arc=71>

4. ALTERNATIVE OPTIONS CONSIDERED

- 4.1 The review of the all MoUs has included considerations such as, the authority making no annual grant awards at all. However, this was discounted and the Authority is to maintain the current level of funding awards over the next three years to the main three MoU recipient groups with the other funded agencies to receive tapering off annual grants through to 2020.

5. CONSULTATION WITH RELEVANT MEMBERS AND EXTERNAL ORGANISATIONS

- 5.1 The proposals within these papers have been discussed the relevant officers, with the both the relevant Executive Members and with representatives from the main MoU organisations.

6. FORWARD PLAN

- 6.1 The report contains recommendations on key decisions that were first notified to the public on the Forward Plan on 17 October 2016.

7. BACKGROUND

- 7.1 Cabinet on 14th June as part of the Grants Policy Review made the following resolutions with regard to the following MoU arrangements:-

(4) That, from financial year 2017, it be agreed that the North Herts Citizens Advice Bureau and North Herts Centre for Voluntary Service receive a commitment to three yearly funding, at the present rate, under contract;

(9) That the approach to the provision of funding and commissioning of services from RELATE and the North Herts Minority Ethnic Forum, for implementation from 2017 onwards, be reviewed:

- 7.2 Cabinet on 20th December as part of the Review of the Council's MoUs made the following resolution:-

(2) That it be noted that there will be further work required of officers during 2016/17 to formalise commissioning of services undertaken by North Herts Citizens Advice, North Herts Centre for Voluntary Services and the North Herts Minority Ethnic Forum.

8. ISSUES

- 8.1 Following half yearly reviews undertaken in October / November 2016 with the major MoU recipient bodies and with the Cabinet resolutions above in mind, it was determined that the Citizens Advice North Herts, North Herts Centre for Voluntary Service and the North Herts Minority Ethnic Forum annual awards move to formal contractual arrangements with Authority for three consecutive years as from 2017/18.

- 8.2 This process has commenced and will line up with the start of the new financial year.

- 8.3 A template of the contractual grant agreement being used with each group is attached to this report as appendix 15.4.
- 8.4 Schedule 1 of the contractual agreement will detail the specific objectives and outcomes the Authority requires each organisation to achieve / deliver.
- 8.5 Formal monitoring and production of written returns re performance of these requirements will take place April and October each year for the duration of the 3 year contractual term.
- 8.6 Interim monitoring and overseeing performance will occur quarterly through officer review meetings with each organisation.
- 8.7 Funding arrangements and levels will remain the same per annum for three consecutive years from April 2017 and ending 31st March 2020.

Citizens Advice North Herts	£145k
North Herts Centre for Voluntary Service	£20k
North Herts Minority Ethnic Forum	£10.5k

- 8.8 All three major partner organisations have been advised that it is likely that the level of funding the Authority will be able to administer to each group from April 2020 may well be significantly reduced or ceased at the end of the 3 year term, as part of the Authority's Corporate Business Planning process and the continuing pressures on revenue expenditure.
- 8.9 An overarching objective for the next 3 years will require officers within the Communities Team to assist and direct all bodies and organisations receiving annual awards to have greater self reliance and a sound and sustainable base re future service delivery.

9. LEGAL IMPLICATIONS

- 9.1 The terms of reference for Cabinet include at paragraph 5.6.1 "To prepare and agree to implement policies and strategies other than those reserved to Council". Once the policy/strategy is agreed, responsibility for grants to external organisations is delegated to the Strategic Director Finance Policy and Governance in accordance with paragraph 14.6.7(b) (i) M1 of the Council's Constitution.
- 9.2 Section 1 of the Localism Act 2011 provides a General Power of Competence which gives local authorities the power to do anything that individuals generally may do for the benefit of the authority, its area or persons resident in its area, with the exception of powers which are afforded by implementation of, or compliance with, alternative legislation.
- 9.3 The procurement requirements and contractual documentation required to support the commissioning-based proposal will need to be considered if Cabinet approves the proposed approach. It is also recommended to review the Memorandum of Understanding documentation as part of this process, to ensure the Council's interests are protected and its expectations are met.

10. FINANCIAL IMPLICATIONS

- 10.1 NHDC's Budget Policy determines that the authority will not invest in schemes which have been, are, or would generally be provided by another statutory authority or by an authority which is precepting body.
- 10.2 Commitment to contractual arrangements with the three main districtwide community services providers will result in the Authority awarding of £175.5k per annum through to March 2020.

11. RISK IMPLICATIONS

- 11.1 The Council could face the risk of being challenged in regard to its award making decisions were it to continue to award differing amounts, to similar organisations, without the consideration of moving to more formal contractual arrangements with groups / organisations which directly deliver services on behalf of the Authority.
- 11.2 There are also risks which apply were the Council not to fully monitor expenditure on such awards, therefore any future monitoring should be commensurate to the level of funding awarded.

12. EQUALITIES IMPLICATIONS

- 12.1 The Equality Act 2010 came into force on the 1st October 2010, a major piece of legislation. The Act also created a new Public Sector Equality Duty, which came into force on the 5th April 2011. There is a General duty, described in 12.2, that public bodies must meet, underpinned by more specific duties which are designed to help meet them.
- 12.2 In line with the Public Sector Equality Duty, public bodies must, in the exercise of its functions, give due regard to the need to eliminate discrimination, harassment, victimisation, to advance equality of opportunity and foster good relations between those who share a protected characteristic and those who do not.
- 12.3 The review has taken into account equalities obligations, and seeks to establish a more sound evidence base, on which annual funding will be awarded. The intention is also to focus expenditure more on areas of greater need in the district, including addressing rising demands in regard to housing, homelessness and debt advice from a number of our communities. Retaining a greater focus on key areas of need should also ensure that a reduced budget can be used as effectively as possible, especially given the risks of further cuts to local government funding in the future. Dependent on the decision in April 2020 an equality analysis may need completion to assess the potential impacts.

13. SOCIAL VALUE IMPLICATIONS

- 13.1 As the recommendations made in this report do not constitute a public service contract, the measurement of 'social value' as required by the Public Services (Social Value) Act 2012 need not be applied, although equalities implications and opportunities are identified in the relevant section at paragraphs 12.

14. HUMAN RESOURCE IMPLICATIONS

- 14.1 The proposals made within this report and amended policy document can be delivered within existing officer resource.

15. APPENDICES

- 15.1 Appendix 1 – Citizens Advice North Herts – Summary of Services Report Oct 2016
- 15.2 Appendix 2 - North Herts Centre for Voluntary Services – Monitoring & Impact Reports Oct 2016
- 15.3 Appendix 3 – North Herts Minority Ethnic Forum – Summary of Services & Activities Oct 2016
- 15.4 Appendix 4 - Template of contractual Grant Agreement

16. CONTACT OFFICERS

16.1 Author:

Stuart Izzard Communities Manager
Telephone: 01462 474854
Email: stuart.izzard@north-herts.gov.uk

16.2 Contributors:

Norma Atlay, Strategic Director Finance, Policy and Governance
Tel: 01462 474297
Email: norma.atlay@north-herts.gov.uk

Gavin Ramtohal, Contracts and Procurement Solicitor
Tel: 01462 474578
Email: gavin.remtohal@north-herts.gov.uk

Kirstie Wilson, Procurement Officer
Tel: 01462 474284
Email: Kirstie.wilson@north-herts.gov.uk

Shah Mohammed, Group Accountant
Tel: 01462 474240
Email: shah.mohammed@north-herts.gov.uk

Kerry Shorrocks, Corporate Human Resources Manager
Tel: 01462 474224
Email: Kerry.shorrocks@north-herts.gov.uk

Ian Couper, Head of Finance, Performance and Asset Management
Tel: 01462 474243
Email: ian.couper@north-herts.gov.uk

Reuben Ayavoo, Policy Officer
Tel: 01462 474212
Email: reuben.ayavoo@north-herts.gov.uk

17. BACKGROUND PAPERS

- 17.1 Overview and Scrutiny Task and Finish Review of the Councils grants and financial assistance 2013.

- 17.2 SIAS Audit report on effectiveness of Area Committee Grants 2014.
- 17.3 Review of Policies and Procedures for Financial Assistance to Voluntary and Community Organisations, November 2002.
- 17.4 Review of The Council's Grants Policy: Report to Cabinet – 14 June 2016.
- 17.5 Review of NHDC Memorandum of Understandings: Report to Cabinet – 20 December 2016.
<http://web.north-herts.gov.uk/aksnherts/users/public/admin/kab12.pl?cmte=CAB&meet=101&arc=71>