

**Performance and Finance Select Committee**

5 July 2013 – At a meeting of the Select Committee held at 10.30 a.m. at County Hall, Chichester.

Present: Mrs Urquhart (Chairman)

Mr Burrett  
Mr Glennon  
Ms James  
Mr Lamb

Mr Metcalfe  
Mr Patel  
Mr Rae  
Mr R T Rogers

Mr Turner (V-Ch)  
Mr Waight  
Mrs Whitehead

In attendance by invitation: Ms Goldsmith (Leader), Mr Brown (Cabinet Member Finance) and Mrs Field (Deputy Leader)

Apologies for absence were received from Mr de Mierre, Mrs Millson and Mr Watson.

**Declarations of Interest**

1. In accordance with the code of conduct, the following personal interests were declared:

- Mr Burrett as a member of Crawley Borough Council in relation to grants for voluntary organisations
- Mr Turner as a member of Worthing Borough Council in relation to grants for voluntary organisations
- Mrs Whitehead as a trustee of the Annesley (CLW) Trust in relation to grants for voluntary organisations

**Minutes**

2. Resolved – that the minutes of the final meeting of the Policy and Resources Select Committee held on 15 March 2013 be approved as a correct record, and that they be signed by the Chairman.

**Committee Membership**

3. The Committee noted its membership.

**Committee Terms of Reference**

4. The Committee considered its Terms of Reference (copy appended to the signed minutes).

5. Resolved – that the Committee notes its Terms of Reference

**Appointment of Business Planning Group Members**

6. The Committee considered a report by the Director Finance and Assurance and Head of Law and Governance (copy appended to the signed minutes).

7. The Senior Advisor, Democratic Services introduced the report and invited the Select Committee to appoint five members to the Business Planning Group (BPG) in accordance with the criteria set out in the report.

8. Resolved – that the Committee appoints Mrs Urquhart (Ch), Mr Turner, Mr Rae, Mr Glennon and Mrs Millson to its BPG.

### **Work Programme Planning**

9. The Committee considered a report by the Director of Finance and Assurance and Head of Law and Governance (copy appended to signed minutes).

10. Resolved – that the Committee:

- a) Approves the proposed approach to work programme planning and the outline programme for the 12 September Scrutiny Planning Day
- b) Approves the Committee's interim work programme
- c) Approves the service select committees' interim work programmes.

### **Grants to Voluntary Organisations**

11. The Committee considered a report by the Director of Communities Commissioning and the Head of Community and Economic Development (copy appended to the signed minutes).

12. The Head of Community and Economic Development introduced the report and the findings of the all-member grant-funding questionnaire (Appendix A). He stressed the importance of grants as they can achieve a significant difference for a small amount of funding. He also outlined the aim to minimise bureaucracy and achieve maximum value for money.

13. Ms Carrette, Chief Executive Worthing Council for Voluntary Service (CVS) provided an overview of the current funding issues facing voluntary and community organisations (VCO's). Key points included:

- Securing funding and recruiting volunteers were amongst the key issues faced by most VCO's.
- That there were over 10,000 charitable trusts and funds in the UK, with widely differing standards of clarity and governance for awarding grants.
- Most local authorities emphasised a 'mixed-economy' of support to VCO's. This comprised grant-funding, competitive tendering for contracts and in-kind support, such as training.
- A single pot of funding, whilst simpler, was understood to be not desirable by the council owing to the diversity of funding requirements.
- Active promotion of available grants and funding to VCOs was crucial to ensure funding uptake. Anecdotal evidence indicated that the Council struggled in this area.

14. Ms Carrette outlined some key basic principles of good practice for the organisation of funding schemes. These included:

- A unified, easily accessible information portal for all available grants and applications. This should include application forms, detailed application

information, timescales for funding decisions and the transfer of funding if successful and submission deadlines.

- The portal should also clearly indicate eligibility criteria to prevent ineligible VCOs wasting time in applying. Ideally it should be possible to submit applications electronically in order to minimise paperwork and postage costs.
- Clearly articulated information regarding funding criteria, maximum funding allowable and any limit on application submissions. This should preferably also include illustrative examples of successful applications.
- Increasingly, applicants were able to submit outline expressions of interest to funders. This facility was beneficial as it answered certain basic questions and provided a quick response to potential applicants as to whether to progress with their application. This reduced the number of failed bids and saved time.
- A simple application form with clear, comprehensive guidance notes.
- That the amount of supporting information required for an application and post-award evaluation should be proportional to the grant size.

15. Ms Carrette stated that the Council had provided funding for Worthing CVS to establish a fund-raising 'hub' which provided training for volunteers to fundraise for local groups and to increase the capacity and resilience of VCO's. A university accredited course supported this training. The Worthing model closely followed a similar one in Arun.

16. Ms Moore, Chief Executive West Sussex Council for Voluntary Youth Services (WSCVYS) emphasised the value of developing support systems to underpin the funding process and increase VCO capacity. She stated that one of the key values of the hubs had been their assistance in supporting VCOs to develop secure foundations of knowledge, expertise and experience.

17. Ms Moore stated that in order to reduce potential funding overlap, the County Council should work with VCOs to establish systems for shared working and joint-bidding for larger funding streams supporting consortia or purposeful partnerships between local VCOs. This would work to ensure consistency in the quality of the application and develop efficiency and capacity.

18 Ms Moore further recommended a consistency of approach throughout the range of grants in terms of a simple base-line Quality Assurance system. This would ensure that the Members were confident of the robustness of an organisation, improve the quality of the applications and the mechanisms to monitor the impact. Through a stronger underpinning framework , which included a commitment to fund-raising hubs, CVSs and other simple mechanisms as outlined in Ms Carrette's presentation the Council would be linking its grants to the principles of the Social Value Act (2012) and Localism Act (2011)

19. The Committee made comments including those that follow. It:

- Noted that in parts of the county funding applications were often of a poor quality, which made them harder for local members to support – *The leader responded that local members should work closely with VCOs in their local areas to understand their funding needs and provide support in completing and submitting applications. Mr Waight added that Worthing County Local Committee had adopted a member-led application process*

*for the Community Initiative Fund and recommended this to other members.*

- Expressed unease at the lack of information regarding outcomes and impact of project funded by the Members Big Society Fund (MBSF). – *The Cabinet Member responded that the MBSF was member-led in order to reduce bureaucracy and to draw upon member's local knowledge to ensure that money was effectively allocated. He acknowledged that members needed to do more to ensure that they provided evidence of the effectiveness of funding in their divisions.*
- Noted that a number of council's in West Sussex had dedicated officer resource for sign-posting local funding opportunities and queried whether potential duplication could be reduced by the creation of a shared resource under the Better Together programme. – *The Director confirmed that as yet this has not been explicitly considered.*
- Queried whether that for funding requests over an agreed limit the applicant organisation should be required to appoint members or officers to their board. – *The Leader responded that local members needed to ensure that local funding was spent correctly, without the need for formal requirements. Mrs Carrette stated that WCVS recommended to all VCO's that they allow observers on to their boards and that this should be welcomed as providing VCOs with access to local members.*
- Queried as to whether the shift from direct service provision and toward locally contracted services created waste as funding was required to support the operating costs of the organisation and infrastructure bodies, such as CVSS. - *Ms Carrette responded that local VCOs had low operating costs and that the UKs long history of charitable provision had demonstrated that VCOs and CVS's created local social cohesion and social capital.*
- Queried whether changes to the Council's current approach could be implemented within available resource. – *The Head of Community and Economic Development responded that whilst there was pressure on resources, this could be ameliorated by changes to the funding and support process that increased efficiency and effectiveness.*

20. Resolved – that the Committee:

- 1) Recommends that the relevant cabinet member consider measures to ensure that:
  - a. The range of funding opportunities are fully understood and monitored to ensure that funding efficiency is maximised via effective signposting to external funding bodies in the first instance.
  - b. The Council's grants are rationalised, where appropriate and supported by information and guidance that is clear consistent and accessible.
  - c. Outcomes achieved as a result of grants awarded by the Council are proportionally monitored and measured.
- 2) Recommends that in order to improve the efficiency, governance and support of grant funding, the relevant cabinet members also:
  - a. Ensures that, where appropriate, the grant funding process is member-centred.

- b. Considers grants within the overall commissioning process with district and borough councils including the potential for a shared service
- c. Explore a single portal for grant funding information, both for members and potential applicants.
- d. Establishes a formal feedback mechanism to ensure value for money is achieved and enables successes to be publicised and best practice shared.

### **Total Performance Monitor – 2012/13 Outturn**

21. The Committee considered a report by the Director Finance and Assurance (copy appended to the signed minutes) which outlined the outturn position for 2012/13 financial year.

22. The Deputy Cabinet Member for Finance introduced the report and the Director provided members with an update regarding the potential implications of the recent Government Spending Review. Key points included:

- An anticipated reduction in the Education Service Grant, although no details had yet been confirmed.
- A Council tax freeze for 2014-16 with a 1% cap for allowable increases. The potential implications were currently being assessed by the Department for Communities and Local Government.
- The announcement of a £3.8bn Health and Social Care grant. It was currently unknown to what extent the grant would comprise additional funding.
- The creation of a Single Local Growth Fund, which would draw partial funding from the New Homes Bonus and replace City Deals. The implications of this fund for the Council were not yet known.
- The Chancellor had recommended that local government staff pay rises be capped at 1% and the cessation of annual pay increments.
- A provisional settlement was anticipated in December or February and that this might impact planning for the budget.

23. The Committee made comments including those that follow. It:

- Queried whether the Spending Review represented a deterioration of previous working assumptions – *The Director confirmed that this was the case as local government continued to bear a disproportionate share of spending cuts.*
- Queried when a return on business rates would be seen from the investment in broadband. – *The Director responded that this would depend upon the re-evaluation of rateable businesses, which the Council had limited powers to challenge. Any return would therefore be in the longer-term.*
- Sought clarification as to why the cost of Shoreham Footbridge had doubled and sought reassurance that no further increases were likely. – *The Director responded that the project was highly unusual and the degree of complexity had initially been underestimated. He expressed confidence that the works represented good value for money and stated that the up-dated estimated project cost reflected the maximum anticipated cost and no increases are expected.*

- Raised questions regarding financial elements of project management, paragraph 5.4 – *The Director stated that whilst projects were well planned and completed on time and to budget further attention was required to ensure uniform bookkeeping standards and timely capital withdrawal. An internal Audit Review into capital project monitoring is currently underway and will be shared with the BPG when completed.*
- Queried the potential workforce pressure resulting from the transfer of staff through contracting and whether this had impacted upon workloads and staff-sickness rates for non-contracted staff. – *The Senior Advisor informed members that performance management would be considered as an item on the work programme at the forthcoming BPG meeting, for potential further scrutiny.*

24. Resolved – That the Committee agrees that capital project management and workforce issues to be further scrutinised.

### **Total Performance Monitor – Performance to May 2013**

25. The Committee considered a report by the Director of Finance and Assurance (copy appended to the signed minutes) which reported the position as at the end of May 2013.

26. The Director introduced the report and highlighted a number of key issues, including:

- Pressures on the Health and Adults' Services budget owing to the likelihood that service demand that had initially been viewed as temporary would prove lasting (para 1.9) and that this was a major area of risk that the Committee might wish to consider at a later meeting.
- A table setting out the total on the revenue account (Appendix B), which tracked revenue finance and would illustrate the varying tax-base over the year. He acknowledged that the number of non-portfolio budgets required reduction and that the recording of changes to local government financing were a learning curve and an area of potential valuable input by scrutiny.

27. The Committee made comments including those that follow. It:

- Queried why a delay on the Mechanical Biological Treatment (MBT) plant had led to a saving. – *The Director responded this was a timing issue with the cash flow on the contract.*
- Queried whether it would be possible to meet the target for cardiovascular health assessments (measure 13) owing to over-stretched GP capacity and queried whether the council could influence GPs. - *The Director responded that the Council could exert influence through the statutory Health and Wellbeing Board and also locally, as the Director of Health and Social Care Commissioning sat on the board of the three Clinical Commissioning Groups in West Sussex.*
- Expressed concern that the Council had no direct control over three measures in the Corporate Performance Framework (Measures 13, 15b and 15C, as at para 5.1). - *The Director responded that the Council would be required to influence the behaviour of partner organisations within the new health partnership landscape in order to achieve these measures.*

- Expressed concern over the Council's limited role in influencing Borough and District Local Plans to ensure adequate infrastructure in areas of new housing. - *The Director confirmed that the Council is a formal consultee, regarding highways matters.*
28. Resolved – that the Committee recommends that the Health and Adults' Services Select Committee further reviews issues of performance measurement for the Corporate Performance Framework measures 13,15b and 15c.

### **Scrutiny Performance**

29. The Committee considered a report by the Head of Law and Governance and the Service Manager, Democratic Services (copy appended to the signed minutes).
30. The Senior Advisor introduced the report and informed members that a full cabinet member response to the Services to Young People TFG was anticipated for July. She invited the Committee to comment on the overall performance of scrutiny in 2012/13.
31. Members made comments including those follow. It:
- Queried why there had been a deterioration in the proportion of members who felt they had an input into policy development in the annual survey results (Q. 10, Appendix A) – *The Leader emphasised the central role of Task and Finish Groups (TFGs) in informing the policy process and that the reduction might reflect responses from members who were not involved in TFGs.*
  - Requested consistent and regularly updated monitoring of Select and TFG recommendations. – *The Senior Advisor responded that comprehensive tracking information would be included in all future scrutiny newsletters.*
  - Queried whether the lack of call-ins should be considered as positive or negative. – *Mr Burrett stated that the service select committees scrutinised issues at early stages through decision previews, which greatly reduced the need for call-ins.*
  - Agreed that it was too early in the year to consider training and development needs for scrutiny members and that any issues could be covered by forthcoming project days.
32. Mrs Whitehead agreed to liaise with Mr Burrett regarding the appointment of two new members to the Carers Task and Finish Group. The vacancies had arisen following the recent Council elections.
33. Resolved – That the Committee:
- a) Recommends enhanced tracking of responses and outcomes to Select and TFG recommendations.
  - b) Agrees to defer consideration of training and development needs for scrutiny members until later in the year and that, in the first instance, any issues arising could be covered by forthcoming project days.
  - c) Agrees to defer consideration of the Best Practice Group until later in the year.

- d) Agrees to refer the Carers TFG phase 1 report findings for debate at County Council in July.

### **Forward Plan**

34. The Forward Plan of Key Decisions August – November 2013 was tabled at the meeting, as it had been published following the despatch of the agenda. (copy appended to the signed minutes).

35. Ms James queried whether CLCs could consider education provision decisions affecting schools within their boundaries (Children – Start of Life). - *The Senior Advisor undertook to check whether this was possible.*

36. Resolved – that the Forward Plan be noted.

### **Date of Next Meeting**

37. The Committee noted that its next scheduled meeting will take place on 4 October 2013 at 10.30 a.m. at County Hall, Chichester.

The meeting closed at 2.20 p.m.

Chairman