

POLICY REVIEW AND PERFORMANCE SCRUTINY COMMITTEE

1 OCTOBER 2013

Present: Councillor Howells (Chairperson);
Councillors Bale, Hunt, Knight, Lloyd, Marshall, Murphy
and Robson

Apology: Councillor Walker

The Chairperson welcomed Councillor Marshall to the Committee following her appointment at Full Council on 26 September 2013.

As several witnesses were unavailable, the Chairperson sought views of Members as to whether the meeting could deal with agenda items 1 to 4 only and the remaining items be deferred to an additional meeting. Members were in agreement with this and an additional meeting would be arranged.

18 : MINUTES

The minutes of the meetings held on 12 September 2013 were approved by the Committee as a correct record and were signed by the Chairperson.

19 : DECLARATIONS OF INTEREST

The Chairperson reminded Members of their responsibility under Part III of the Members' Code of Conduct, to notify any interests in general terms and complete personal interest forms at the start of the meeting and then prior to commencement of discussion of the item in question, specify whether it is a personal or prejudicial interest. If the interest is prejudicial, Members would be asked to leave the meeting and if the interest is personal, Members would be invited to stay, speak and vote.

The following declarations were made in respect of Item 4.

<u>Member</u>	<u>Interest</u>
Councillor Bale	Personal: Director of Cardiff & Vale Credit Union.

Councillor Knight	Personal: Attends board meetings at Cathays Community Centre, although not a Board Member.
Councillor Marshall	Personal: Mother uses Llanishen Good neighbours, Personal: Member of Cardiff & Vale Credit Union.
Councillor Robson	Personal: Member of the Committee that organises events in Rhiwbina Village, Personal: Member of the Cardiff & Vale Credit Union.

20 : BUDGET 2014/15 – PROPOSALS FOR A REVIEW OF COUNCIL GRANT FUNDING

The Chairperson welcomed Councillor Lynda Thorne, Cabinet Member for Community & Neighbourhood Regeneration and Social Justice, Sarah McGill, Director – Communities, Housing and Customer Service, Luke Burton, Principal Citizen Focus Officer and Sheila Hendrickson-Brown, Chief Officer for the Cardiff Third Sector Council.

The Chairperson informed Members that this item gives the Committee the opportunity to consider Proposals for a Review of the Grants that the Council gives to external organisations. The Cabinet will consider this issue at its meeting on 10 October 2013.

The Chairperson invited Councillor Thorne to make a statement. Councillor Thorne advised the Committee that this was just the start of a process, a proposal that was out for consultation and that no decision would be made until the budget had been decided. Councillor Thorne stated that the consultation feedback was essential and the process needed to be open and transparent.

Sarah McGill provided Members with a presentation outlining: the savings made so far in 2013/14, the issues facing the service, Commissioning Services: Care Support and Education packages, Advice Packages, Homelessness Prevention and Intervention Packages, Direct Support to Infrastructure and Key Equality organisations, Grants to Cease, and Neighbourhood Working.

The Chairperson invited comments and observations from Members of the Committee.

- Members sought clarification on some detail in the Advice Package section in relation to the figure held in reserve. Officers clarified that the figure was in fact a contingency amount rather than a reserve, it was noted that this needed to be made clear in the report.
- In relation to Homelessness Prevention, Members enquired why the standstill position for 1 year was needed, and suggested that the procurement process was started now to get ready for 2014/15. Officers stated that the position was needed to allow for flexibility to meet emerging needs that may arise from the forthcoming Universal Credit system, allowing for additional services to be provided if needed.
- Members enquired whether the allocation of £180,000 to 6 areas in Cardiff for Neighbourhood Working, would be allocated equally or according to size. It was stated that the money would be allocated evenly to the 6 areas.
- In relation to Grants to Cease, Members asked whether the Council were aware of what would happen to the organisations that were losing their Grant funding, whether they would cease to operate or what effects it would have on their operation. Councillor Thorne reiterated that this was the beginning of a process and that organisations would be invited to feedback to the Council and that Equality Impact Assessments would be carried out.
- Information was sought on how outcomes achieved would be measured. Officers stated that the Council had moved towards more outcome based commissioning, with clear outcomes set and formal monitoring in place. A number of Council services were now commissioned so there was expertise in this area within the Council. Officers stressed that if failure of contract compliance occurred then there were formal stages to go through.
- Reference was made to a previous Policy Review and Performance Scrutiny Committee Inquiry in 2011, Members asked what had changed since then, as the same conclusions seemed to have been drawn. Officers stated that there had been lots of changes since 2011, there was now a process of looking at all Grants across the board and looking at them as Services.

- Members noted that the report listed a number of things such as inability to develop services, less flexibility etc and asked whether the new system would address these issues. Officers stated that there would be improvements through the introduction of a formal process.
- In reference to Neighbourhood Management Areas Members asked what confidence Officers had that the money allocated to each area would be properly distributed. Councillor Thorne stated that a level of autonomy had to be given to Officers to make decisions as each area would have very different needs, but that each proposal would need to be supported by at least 1 Member.
- Members sought clarification on whether the services that had been transferred internally within the Council had also been cut by 10%. Councillor Thorne stated that the service area that take in the services have to make their financial savings, so they then have to prioritise what is valuable and what has to be cut.
- A Member enquired whether there was a set approach already established regarding smaller organisations. Officers stated that there wasn't a set approach as yet and that an approach would be determined when detail from the workshops etc had been put in place. Officers reiterated that support would need to be provided to small and large organisations, and they would need to be empowered to facilitate partnerships to minimise the impacts of the cuts.
- Members noted that the grants were due to cease for luncheon clubs and asked officers whether there would be any other services provided in their place. Officers stated that services such as these would come under Community Services, the service area would determine if there was a need, existing procurement and commissioning processes would be looked at and a fresh approach taken at providing services for older people in the community. Councillor Thorne stated that there was a commitment to assess every individual that attend a luncheon club to see if any additional support is needed.
- With reference to Festival Associations and the good work they do in bringing in tourism, a Member enquired whether they would come under Neighbourhood Management areas in the future as she

stated she would be concerned about them ceasing. Councillor Thorne emphasised that everyone was concerned about organisations ceasing but the Council was facing unprecedented cuts and had to consider what was 'nice' to provide rather than essential services. If grants to certain organisations are ceased then it would be up to the Neighbourhood Management teams to assess whether they would be provided.

- A Member asked whether Officers were confident that the Council would realise savings from the new process, or whether the Council was going through a painful process for minimal savings. Officers stated that the process as a whole needed to be reviewed and that it wasn't just about the savings that could be made. Reviewing the process would offer the opportunity of reviewing the effectiveness of spend as well as the reduction of funding.

The Chairperson thanked the Cabinet Member and her Officers for attending the Committee meeting.

It was AGREED that the Chairperson, on behalf of the Committee, write to Councillor Lynda Thorne, Cabinet Member for Community & Neighbourhood Regeneration and Social Justice, highlighting the following issues:

- Members had been concerned that during the 2013/14 budget setting process reductions in voluntary sector grant funding had been communicated to recipient organisations at too late a stage to allow time to develop suitable contingency plans. While the level of the proposed cuts in 2014/15 was of grave concern, the Committee welcomed the longer period allowed for the consultation and the impact assessment process which was being put in place.
- The Committee noted the shift towards the use of grant funding to ensure delivery of outcomes and away from historic allocations where there was no clear support for strategic priorities. The Committee noted that this was not a new issue; the Committee's own 2011 report regarding the Council's Grant Allocation System noted the variable use of grants to support the corporate priorities. The report recommended a more strategic approach and a move away from duplication and overlap of grant funding, which these proposals appear to support.

- However, the Committee wished to be assured that the proposed commissioning approach would deliver as intended and therefore requested full engagement in the development of the commissioning approach for the three proposed packages, prior to final approval and implementation.
- While understanding that these changes were proposed in order to support outcomes, and not simply savings targets, the Committee also raised the possibility that the additional administration on the Council's part may make the savings negligible. The Committee therefore wished to better understand the costs involved in implementing this new approach.
- The Committee recommended that the operation of the proposed neighbourhood fund should be as transparent as possible. If the fund was intended to better support outcomes, Members must be assured that the allocation process is suitable. Members therefore wished to have sight of the criteria against which applications to the fund would be made, and asked that the relevant Scrutiny Committee be regularly briefed regarding future expenditure under this fund. The Committee also requested confirmation on how organisations would be supported to apply for this funding without the process being overly burdensome.
- Members were very much concerned of the effect the cuts could have on smaller voluntary sector organisations in particular, so requested an update on the results of the consultation with the organisations affected at the appropriate point, and prior to presentation of the final budget proposals.
- Given the importance of the equality impact assessment process, Members requested further information regarding its operation in the Council generally and in this case specifically, with a view to scheduling a more in-depth scrutiny if the Committee's work programme allows.
- On the specific point of the 'reserve' referenced under the proposed Advice Package, Members noted that this needed to be clearly communicated that it was very much intended as a contingency, rather than additional funding which can be easily accessed. The current wording seemed to provide little incentive for organisations to remain within the funding envelope set out.

- Members were not satisfied with the explanation regarding the full transfer of the Audience Wales grant and the Assistance to Industry grant, without being subject to a 10% reduction prior to transfer. The Committee requested an understanding of the rationale for a full transfer of these funds to directorate budgets as opposed to others.

CHAIRPERSON.....