

ESTABLISHMENT OF CABINET PANEL – CONCURRENT FUNDING

Submitted by: Executive Director (Resources and Support Services)

Portfolio: Finance and Resources; Leisure, Culture and Localism

Ward(s) affected: All

Purpose of the Report

To establish a cross-party Cabinet Panel to make recommendations to Cabinet regarding the concurrent funding paid to Parish Councils under Section 136 of the Local Government Act 1972.

Recommendations

- (a) That a cross party Cabinet Panel be established with a membership of five appointed on the basis of political proportionality (Labour 3; Conservative 1; Liberal Democrat 1).**
- (b) That the portfolio holder for Finance and Resources be appointed to chair the panel.**
- (c) That the Group Leaders be requested to make nominations for membership of the panel from their respective groups in accordance with (a) above.**
- (d) That the intention to put in place arrangements for the portfolio holder for Finance and Resources to make decisions in response to recommendations of the cross-party panel be noted.**
- (e) That it be noted that Part 3 of the council's constitution (Scheme of Delegation) will be amended to show the inclusion of this responsibility in the list of responsibilities for the exercise of Cabinet functions.**

Reasons

The Council resolved at its meeting on 25 February 2015 to set up a cross party monitoring group to monitor grant money paid to parish councils following a recommendation made by the Task and Finish Group that was established to review such funding.

1. Background

- 1.1 At its meeting on 25 February 2015 Council considered the Revenue and Capital Budgets and Council Tax 2015/16 report. One of the recommendations approved was:

“that option 4 of the report of the Concurrent Funding Task and Finish Group be implemented to “establish a more closely monitored system”. In particular: that a cross-party monitoring group be established. Prior to any grant money being issued in April 2015 individual Towns and Parishes would need to provide this group with proof that the grant for 2014/15 has been used in full and for its intended purpose. Failure to do so could result in an amount equivalent to any shortfall being deducted from the grant for 2015/16. AND that the cross-party group pursue other matters the group feels is of concern for future arrangements”.

- 1.2 Members will recall that a report was presented to Cabinet in February 2014 requesting agreement to a review of the existing funding arrangements to parish / town council concurrent functions. Cabinet agreed that this review would be carried out by the then

Transformation and Resources Overview and Scrutiny Committee (now the Finance, Resources and Partnerships Scrutiny Committee (FRAPS)). FRAPS agreed to establish a Member Working / Task and Finish Group to examine this issue in more detail, in particular to understand concurrent funding of Town / Parish Councils in the Borough and to develop proposals around future arrangements.

- 1.3 Cabinet received the Task and Finish Group's findings at its meeting on 14 January 2015. This included various recommendations including option 4 (as shown in 1.1 above) that was subsequently approved by full Council on 25 February 2015.

2. **Issues**

- 2.1 There is a need to establish a more closely monitored system in respect of the grant money spent by parish councils in respect of concurrent funding. The mechanism which was agreed at the full Council meeting on 25 February 2015 was to establish a cross-party monitoring group.

3. **Proposal**

- 3.1 To establish a Cabinet Panel to implement the recommendation of full Council to establish a cross-party monitoring group to which parish councils would need to provide proof that their concurrent funding grants for 2014/15 has been used in full and for its intended purpose before their grants for 2015/16 are paid. The Panel will also pursue other matters that it feels are of concern for future arrangements. The Panel will consist of five members with places being allocated in accordance with the political proportionality of the Council. The Group Leaders will be asked to make nominations for Members to serve on the Panel.
- 3.2 In order to expedite the making of decisions in respect of the panel's recommendations, it is proposed to put in place arrangements for the portfolio holder to make those decisions.
- 3.3 The Council's Executive Arrangements state (in Part 2, Section 7, paragraph 7.6 of the constitution) that all Cabinet decisions will be taken by the Cabinet acting collectively, with a number of exceptions relating to (a) finalising detail of in-principal decisions, (b) urgent matters and (c) "when the Leader has arranged for a Cabinet function to be discharged by a Cabinet committee consisting of Members of the Cabinet or a single Member or an officer by way of joint or local arrangements."
- 3.4 The constitution goes on to state, "The Leader will maintain a list in Part 3 of this Constitution (Scheme of Delegation) setting out which Cabinet committees, Cabinet members, officers or joint or local arrangements are responsible for the exercise of particular Cabinet functions."
- 3.5 It is the Leader's intention to make provision in the immediate future within the Scheme of Delegation, for the responsibility for making decisions in respect of the Cabinet Panel's recommendations to be exercised by the portfolio holder for Finance and Resources.

4. **Outcomes Linked to Sustainable Community Strategy and Corporate Priorities**

- 4.1 The recommendations set out in the report support the corporate priority of the Council to be a co-operative council, delivering high-quality, community-driven services.

5. **Legal and Statutory Implications**

5.1 The Borough Council is permitted to provide funding as it does currently under Section 136 of the 1972 Local Government Act, but there is no compulsion on the council to provide this funding.

6. **Equality Impact Assessment**

There are no differential impacts in this report.

7. **Financial and Resource Implications**

7.1 Full council on 25 February 2015 approved the recommendation to establish a cross-party monitoring group as part of its approval of the Revenue and Capital Budgets report.

7.2 The Borough Council provides funding of £63,000 per annum to town and parish councils in the Borough. This grant is calculated on the basis of a rate which is four times the Council Tax base.

7.3 There are no direct financial implications from the establishment of the panel other than the officer time to support it.

7.4 Officer support to the Panel will be provided by the Finance team.

8. **Major Risks**

8.1 A full risk assessment in respect of the council's budget for 2015/16 was included as part of the budget report to full council on 25 February 2015.

9. **Earlier Cabinet/Council Resolutions**

Council 25 February 2015 – Revenue and Capital Budgets and Council Tax 2015/16

Cabinet 14 January 2015 – Update on the Scrutiny Review of Concurrent Functions and Funding for Town / Parish Councils

Cabinet 5 February 2014 – Parish / Town Councils – Review of Concurrent Functions and Funding