

**Report to Concurrent Functions Cabinet Panel May 2015**

**Terms of Reference**

**Submitted by** Head of Finance

**Portfolio** Finance and Resources

**Wards Affected** All

**Purpose**

To approve the Terms of Reference in relation to the Panel.

**Recommendations**

- a) **That the Terms of Reference as set out in the report be approved.**

**Reason**

This is the first meeting of the Panel; therefore, it is necessary to determine the Terms of Reference which will apply.

**1. Background**

1.1 The issue of the payment of concurrent funding grants to Parish Councils, as permitted by Section 136 of the Local Government Act 1972 has been the subject of review by way of a Task and Finish Group of the Finance, Resources and Partnerships Scrutiny Committee (FRAPS), FRAPS, Cabinet and Full Council when the 2015/16 budget was approved. Full Council resolved *“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 Accordingly, at its meeting on 25 March 2015, Cabinet resolved to set up a cross-party Cabinet Panel to make recommendations regarding the concurrent funding grants to be paid to Parish Councils. The Cabinet resolution also stated 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”*.

1.3 It is considered that Panel members will by now be familiar with the background and issues relating to the payment of concurrent funding grants to Parishes so it is not intended to repeat the full background information in this report. However, if further information is required, the report to Cabinet on 14 January 2015, which includes the report of the Task and Finish Group, may be referred to.

**2. Issues**

2.1 Although the Council resolution refers specifically only to the 2015/16 grant payments, it is assumed that the Panel will continue in being to make recommendations to Cabinet with regard to future years' payments and to continue to monitor the arrangements for the payment and use of the grants.

2.2 In order to carry out its functions, the Panel will require Terms of Reference to determine their scope.

2.3 The main function of the Panel will be to consider the amount of the grants to be paid to Parishes each year and to make recommendations to that effect. In addition, the Council resolution stated that *"it will pursue other matters which it feels is of concern for future arrangements"*.

2.4 Accordingly, the following Terms of Reference are recommended for adoption:

1. To consider the amount of concurrent functions grant to be paid to each Parish Council, within the amount included in the General Fund Revenue Budget. Matters which the Panel may take into consideration in carrying out this function will include: use of the grant in previous years; the level of balances held by Parishes; the intended use of the grant to be paid;
2. To recommend the amount of grant to be paid to each Parish;
3. To recommend the timing of the grant payments and the proportion of grant which is to be payable at any one time;
4. To monitor the use of the grants paid to them by the Parishes, in particular to determine that grants have only been spent on concurrent functions;
5. To consider whether any grant already paid to a Parish should be required to be repaid, in whole or in part, for example if it has not been spent on concurrent functions or for any other reason the panel considers relevant;
6. To recommend to Cabinet the amount to be included for concurrent functions grants in the following year's General Fund Revenue Budget;
7. To consider any other matters in relation to concurrent funding grant arrangements and where appropriate to make recommendations thereon to Cabinet;
8. Membership of the Panel will consist of five members appointed on the basis of political proportionality, one of whom will be the Portfolio Holder for Finance and Resources, who will chair the Panel.
9. The Panel will meet at least two times each year (to consider the grants payable for the following year and to advise Cabinet on the level of grants to be included in the following year's revenue budget). Additional meetings may be arranged to monitor in year spend or consider other relevant matters.

### **3. Financial and Resource Implications**

3.1 There are none deriving directly from approval of the Terms of Reference.

### **3. Earlier Cabinet/Council Resolutions**

Cabinet 25 March 2015 – Establishment of Cabinet Panel

Council 25 February 2015 - Revenue and Capital Budgets and Council Tax

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