

OVERVIEW AND SCRUTINY COMMITTEE

22 DECEMBER 2011

Present: Councillor S Rackett (Chair)
Councillors N Bell, S Johnson, R Martins, K McLeod, K Collett,
S Counter, K Crout and H Lynch

Also present: Mayor D Thornhill,
Councillors J Singh Dhindsa and A Mortimer

Officers: Head of Legal and Property Services
Head of Community Services
Commissioning Manager
Democratic Services Manager
Member Development and Civic Officer
Committee and Scrutiny Support Officer (RW)

46 APOLOGIES FOR ABSENCE/COMMITTEE MEMBERSHIP

There were changes to Committee Membership for this meeting:
Councillors Collett, Counter, Crout and Lynch replaced Councillors
Greenslade, Hastrick, Jeffree and Watkin.

47 DISCLOSURE OF INTERESTS (IF ANY)

The Head of Legal and Property Services explained that, for this Call-In meeting, several members of the Committee had Personal and Prejudicial Interests in the matters under discussion. For this reason they had been unable to take part in the meeting and, consequently, substitute members had joined the Committee.

In reply to a question from a Member, the Head of Legal and Property Services explained that a councillor who was a member of an affected group could resign their membership and then take part in the discussion. She advised that the Member must not be seen to have an interest at the time of the decision and that proof must be provided. She added that in this case all necessary proof had been noted.

48 CALL-IN: REVIEW OF THREE YEAR GRANT FUNDING PROGRAMME TO ACHIEVE SAVINGS

Review of Three Year Grant Funding Programme to Achieve Savings

The Cabinet decision taken on 5th December 2011, minute reference 34, regarding proposed savings in the Three year Grant funding Programme. The reason for call-in supported by three Members was as follows –

- “the ‘single-Interest’ criteria was not followed consistently across all groups and Organisations
- The overall funding criteria was not followed consistently for all groups
- Groups and organisations were not given sufficient time to prepare for the possible loss of funding.”

The Scrutiny Committee had received a copy of the Cabinet report, the relevant minutes, the completed call-in pro-forma and details of the call-in procedures.

The Chair invited Councillor Bell, one of the signatories, to present the reasons for the call-in.

Councillor Bell referred to the three reasons as quoted by the Chair. He noted paragraph 3.9.ii. in the report to Cabinet of 5th December 2011 with regard to the Equality Impact Assessment; he asked whether this had been carried out by external assessors in addition to the Council’s own assessment team. He also drew attention to paragraph 3.13 of the report and advised that withdrawal of funding for single interest groups would have a negative effect on community cohesion.

Councillor Bell then referred to the provision of a Voluntary Sector Resilience Officer and asked whether the time available to one officer would be sufficient for the needs of the four groups for whom this staffing was intended. He commented on the loss of 50% of the Women’s Centre grant, stating that this would have a significant impact on the centre. He quoted the Mayor’s statement at Cabinet that funding for this group was ‘nice to do’ and affirmed that this funding should in fact be a ‘must do’. He added that the loss of this grant would greatly affect elderly women and those of ethnic origin. He doubted that the Citizens Advice Bureau would have sufficient resources to deal with additional enquires from the Muslim and Afro Caribbean sections of Watford’s residents. With the loss of funding, the help the Muslim Community Project and the Watford Afro Caribbean Association had provided would no longer be available.

Councillor Bell concluded by questioning the funding to be provided to the Watford Palace Theatre. He noted the reluctance of the Arts Council to continue funding were the Council to reduce its grant but advised that it would be a fairer system to look for savings across the board rather than take all funding from three groups and 50% from the Women’s Centre.

The Chair invited Mrs Sharifa Chaudrey to speak on behalf of the Multi-Cultural Community Centre.

Mrs Chaudrey said that there was misunderstanding over the reserves the Centre had accrued. She stressed that this represented savings which had been made over the years. She explained that for two years no centre manager had been employed and that this had resulted in a considerable saving. She then detailed data on monies raised by the centre itself which had then also contributed to the reserves and advised that centre users had worked to keep the building in a good state of repair.

Mrs Chaudrey said that she felt that the performance assessment had been disappointing and that the decision to cut funding had already been made. She said that although the centre had worked in partnership with many other organisations and volunteers and had helped vulnerable sections of Watford residents, members of the centre felt that they had been both marginalised and made to feel they were a burden on the Council. She added that centre staff would be meeting with the Resilience Officer and would be willing to work with any suggestions.

Mrs Chaudrey echoed Councillor Bell's sentiments that equal cuts should be made for all recipients and concluded by stating that there had been no complaints about the way the centre had been run.

The Chair invited Mr Clive Saunders to speak on behalf of the Watford African Caribbean Association.

Mr Saunders advised that the Association had been funded by the Council for many years and that a total withdrawal of funding was the wrong decision. He then addressed the question of 'single interest' groups. He explained that the Association worked with a range of people rather than with one specific group; he noted that the Voluntary Sector Funding Review had assessed the performance of the group as good.

Mr Saunders considered that the timetable for implementation was very short. He advised that the Association had been prepared for a 10% cut but that the timetable would prove inadequate for the Association to adjust to the proposed total loss of funding.

In conclusion, Mr Saunders said that the Watford African Caribbean Association had not been insular in outlook and had considerably supported community cohesion.

The Chair invited Mr Nasir Abbasi to speak on behalf of the Muslim Community Project.

Mr Abbasi informed the meeting that the Muslim Community Project (MCP) had been in existence since 1980. He said that during the past 30 years many members of the community had benefited from the funding and he was consequently surprised to learn that funding would be stopped. He assured the Committee that the project was not a single interest group as those who had benefited included people of different gender and different origins.. He advised that to cease funding would be detrimental to community cohesion and noted that, of all the groups currently funded by the Council, only three were to have their grants removed.

Mr Abbasi then referred to the Voluntary Sector Funding Review included as Appendix B of the report. He questioned the report's conclusion that performance had been inconsistent. He advised that no feedback had been received to indicate that the Project had been underperforming. Mr Abbasi added that, whilst changes were being considered, these could not be implemented within a short time span. He also advised that attempts had been made to recruit volunteer workers and that there had been a degree of success in finding volunteer administrative staff. With regard to the amount of reserves held, Mr Abbasi advised that these monies were savings accrued and then maintained in case of future need.

Mr Abbasi advised that the project had been of great benefit in assisting members of the community to find jobs and had helped elderly people with the rising cost of bills. He said that the greatest problem for many people who had accessed the project had been the language barrier and that assistance from the MCP had helped with integration and gaining a greater measure of independence. Mr Abbasi concluded by noting that to use part of the MCP's former grant to fund additional staff at the Citizens' Advice Bureau would not provide good value for money as training for the role would take at least a year; the MCP, however, already had both trained staff and facilities available to continue this work.

The Chair invited Members of the Overview and Scrutiny Committee to ask questions of Councillor Bell on the subject of the Call-In.

Councillor Martins asked what Councillor Bell meant in terms of consistency regarding single interest groups.

Councillor Bell replied that the cuts to funding did not appear to be consistent across all organisations. He noted that, as an example, the Watford African Caribbean Association was not a single interest group.

Councillor Collett wished to know what time scale would be considered adequate.

Councillor Bell said that whilst the time scale was adequate for those organisations whose funding would be cut by 10%, those who would lose all funding should be accorded a longer time frame. In reply to a query from Councillor Crout, he noted that whilst three groups of mainly ethnic minority interest had had their funding discontinued, the Palace Theatre would receive no reduction at all.

The Mayor pointed out that there were over 200 organisations in Watford, all of whom gave worthwhile assistance to the community. She noted, however, that the majority of these groups had no Council funding. She added that not only was it unfair for one group to have received grants for 30 years but that it was also unjust that only 14 groups within the town did receive funding. She said that she regretted that this had not been acknowledged previously and added that she considered it to be divisive to fund only a small number of the town's groups.

The Mayor then addressed the issue of who should receive Council funding. She believed that the idea of 'salami slicing' would not be a sensible method of grant cutting and advised that each funded group had been considered. Whilst looking at these groups it had been deemed unwise to continue to fund organisations which had money held in reserve. Similarly, it had been felt that it was unfair to the residents of Watford to continue to fund underperforming groups. She added that different groups frequently provided very similar facilities and that it made little sense to fund several organisations who offered the same services.

Referring to the Call-In from the three Members, the Mayor asked the Head of Community Services to offer a definition of the term 'Single Interest Group'.

The Head of Community Services explained that such a group provided services of potential benefit to the wider community but which are targeted by name to a specific sector of the community. This resulted in residents considering that, as they were they not included within the characteristic referred to, for example, Muslim faith, African-Caribbean heritage or women, they could not access the services.

The Chair asked when the latest assessment of rental values for the Palace Theatre had been conducted.

The Head of Legal and Property Services said that the Palace Theatre had, within recent years, undertaken a major refurbishment which had proved to be very costly; in return for the half million pound renovation work it had been agreed that a low rent would be charged.

The Chair referred to the Table of Savings Identified at Appendix A in the report and noted that the Arts Council had continued to fund the

Palace because of the confidence invested in it through Council Funding.

In reply, the Mayor commented that the Palace Theatre should not be within the grant process as it was anomalous to compare this cultural organisation with a charity group. The Arts Council's funding would be diminished were Watford Borough Council to withdraw its grant. She agreed that the Palace worked hard for monies received and said that the state of affairs with regard to Arts Council funding was in fact a 'Catch 22 Situation'.

The Head of Community Services responded to the Mayor's suggestion that it would be wise not to include this organisation in the grant system by explaining that the Palace Theatre was currently included within the Three-Year grant funding programme and therefore when cuts were considered, the Palace had to be included. This situation would be addressed in the next financial year during the development of the Council's new Commissioning Framework.

Following a request from Councillor Johnson, the Head of Legal and Property agreed to inform him of the date on which the rent for the theatre had been set.

The meeting then discussed the question of Single Interest Groups.

The Mayor said that it was imperative to acknowledge that to favour single interest groups within the town would be divisive and it was important to remember that it would be the tax payers of Watford who would be funding these grants. She added that every service which the Council provided should be accessible to all.

The Head of Community Services agreed that it was intention of the Council to interact with all service users. She added that significant savings needed to be made, that all currently funded groups had been consulted and advised at the start of the consultation on the process that a 10% saving across all groups would be insufficient to meet the target savings.

The Head of Community Services then addressed the question of timings and the advice given to groups. She advised that the original funding letter that had been sent to all groups on 31st March 2010 made them aware that funding would be subject to annual review and that commitment to continue funding was only if public funding was available depending on the Council's overall financial position.

On the 1st December 2010 formal notification of the savings recommendation going to Council in January 2011 was given. In the letter, groups were advised that the reduction in funding would not be introduced in 2011/12 but would be deferred until 2012/13. During 2011/12 the groups were consulted on the priorities and the process

that was subsequently adopted. The organisations were advised that the period from Dec 2010 to March 2012 would allow time for organisations to explore other opportunities to secure a more sustainable future and that the Council had secured the funding for a Resilience Officer employed by the CVS to assist organisations. In May 2011 a Resilience Officer was appointed to assist groups with this task.

On the 17th June 2011 formal notification was given to the groups of a potential cut in their funding and a workshop was held in July 2011 where a full pack of information was distributed which clearly identified that, potentially from April 2012, some organisations may receive the same amount of funding, some may receive less and some may no longer receive funding.

On the 17th November individual groups were consulted on the reports that were to be submitted to Cabinet and had an opportunity to challenge the accuracy of the details in the report and their feedback was taken on board in the final preparation of the Cabinet papers.

On the 5th December 2011 the detailed report had been submitted to Cabinet. The Head of Community Services stressed that this had been an extremely rigorous process.

The meeting then considered the recommendation that £30,000 be used to commission the CAB to provide a culturally sensitive service to the community in order to mitigate the impact of the reduction in service delivery resultant on the withdrawal of funding for the MCP. The Mayor stressed that quality advice was required and that this would be provided by the CAB, a 'gold standard' in this field, and staffed by volunteers.

Councillor Bell noted that the Watford African Caribbean Association had received a 'B' grading for performance and that he had consequently been shocked to learn that funding would cease.

The Head of Community Services advised that the grant savings target was a large sum to find. She referred to the funding review consultation and noted that this group was considered to be a single interest group and it was on that basis that the recommendation was to cease funding not in relation to their performance, which was good.

In reply to a question from Councillor Collett, the Head of Community Services advised that the Resilience Officer would meet regularly with the various groups and that it was in the interests of all that collaborative work be progressed. She said that the Resilience Officer would work to encourage this partnership work but warned that time would be limited.

Councillor Dhindsa noted that the groups who would be most affected were those associated with the most deprived members of the community. He urged these groups to take legal advice and asked why an independent assessment had not been commissioned.

The Mayor replied that she did not consider Councillor Dhindsa's views to be correct. She said that whilst there were pockets of deprivation within the Borough, these were not confined to either specific nationalities or ethnic groups.

The Head of Legal and Property Services advised that it was the Council's statutory responsibility to undertake the assessment. She stressed that Cabinet was in possession of all the details and that the assessment had been both rigorous and robust.

Councillor Martins asked what proportion of the set aside sum of £30,000, from the MCP and for the CAB, would be used to benefit the Muslim community.

The Head of Community Services said that it would be necessary to identify needs and that full discussions would be necessary. She reported, however, that the CAB had advised that they would be pleased to recruit Muslim volunteers.

Councillor McLeod referred to the Watford African Caribbean Association's use of the Holywell Centre and that there had been some disruption to service when the centre was previously refurbished. She asked whether the association would have support in their removal to other premises.

The Head of Community Services advised that the contract with HCC to provide a luncheon club at the Holywell Centre would end in May 2013 and that County commissioners would be working with the organisation on future service delivery. The relocation of the group from their office accommodation in Clarendon Road was being explored with the support of council staff and the Resilience Officer. She informed the meeting that alternative options were currently being investigated.

Following a remark from the Chair on future grant funding, from April 2013 the Head of Community Services advised that consultation on how the Council would in future use funds to commission services and activity from the voluntary sector would take place during 2012/13 through the development of a new Commissioning Framework. Therefore, when the current Three Year grant funding programme ended on the 31st March 2013 all the remaining groups would see that funding stream end; no guarantees could be given of future funding.

Specific transition funding approved for two of the groups would be targeted to help those groups become independent of council funding and sustainable in the long term.

The Mayor added that analysis of needs was currently in progress in order that councillors could decide on the distribution of future monies available. She hoped that all parties would contribute to the discussion.

The Chair referred to transition funding and advised that it could be some time before the CAB project was running. He asked whether £15,000 could be made available for transition funding to the MCP.

The Head of Community Services advised that £30,000 had been identified as the resource required to commission the CAB to provide an 'outreach' service working with MCP users should the MCP decide to cease its activity. A reduction in the amount available for re-commissioning would compromise the ability to provide adequate resource to cover the need. She added that the performance of this project had not met the Council required standard. A meeting had been held with the organisation in order to create a development plan for the areas of greatest concern. The planned development had not been achieved. Dates had been set for the implementation of service charges but the charges had still not been implemented. In addition, the organisation was considered to have sufficient reserves to continue the project during the next financial year and would be supported to work on a business plan to become sustainable, through increasing income from other sources and identifying service efficiencies and increased use of volunteers.

Councillor Martins said that in his opinion the grant funding process had been both fair and even-handed. He considered that a sufficient period of notice had been given and was saddened to learn that not all of the organisations had actively engaged with officers. He agreed that officers had taken an objective view of each group and that their conclusions were based on the evidence available. He said that he was prepared to endorse Cabinet's decision.

Councillor Crout agreed that sufficient time had been allowed for organisations to make changes and to provide methods of cutting costs and that the correct procedures had been followed. He agreed that help could be commissioned from the CAB and that he would not support the Call-In.

Councillor Bell, however, said that the CAB struggled to keep volunteer staff and that the opening hours were not long enough. He considered that the decision to cut funding altogether from three groups and to halve funding for the Watford Women's Centre would seriously impact on both ethnic minorities and women.

Councillor Counter advised that she did not consider the decisions to be inconsistent. She agreed that the process had been fair and she expressed her appreciation of the valuable work of volunteers.

The Chair noted his concern regarding the ability of the CAB to take on the proposed extra work. He proposed:

1. that rather than grant £30,000 to the CAB, £15,000 be used to support a transition for the Muslim Community Project.

This proposal was seconded by Councillor Bell

Responding to a comment from a Member on how this would help the MCP, the Head of Community Services advised that at 31st March 2011, the MCP held £76,000 in reserve. She confirmed that recommendations for savings had been requested from the MCP but that no such recommendations had been proposed.

On being put to the Committee the proposal was LOST.

2. that the Overview and Scrutiny Committee examine the long-term impact on the four organisations which would be subject to the largest cuts and were involved in the development of the new Commissioning Framework.

The proposal was seconded by Councillor Bell

In reply to Councillor McLeod's query on the time frame before the cuts came into place, the Head of Community Services advised that it was necessary to focus on a sustainable future. She added that scrutiny on the impact of loss of funding and the development of the new Commissioning Framework would be most beneficial between April and October 2012.

On being put to the Committee the proposal was CARRIED.

The Chair thanked all those who had attended.

RESOLVED –

1. that the Cabinet decision dated 5th December 2011, minute reference 34 be ratified.
2. that the Overview and Scrutiny Committee be requested to examine the long-term impact on the four organisations which would be subject to the largest cuts and to be involved in the development of the new Commissioning Framework.

49

DATES OF NEXT MEETINGS

- Thursday 2nd February 2012
- Wednesday 7th March 2012
- Thursday 29th March 2012 (For call-in only)

Chair

The Meeting started at 7.00 pm
and finished at 9.05 pm