

BEST VALUE SERVICE REVIEW



SECTION 137 EXPENDITURE (GRANTS)

RESPONSIBLE OFFICER: MR.T.ROBSON, TOWN CLERK

REVIEW COMMITTEE

COUNCILLOR MRS.M.H.FARROW (CHAIRMAN)

COUNCILLORS J.V.GRAHAM, MRS.M.M.KHAN-WILLIS AND MRS.J.L.WOOD

OFFICER: MR.G.NICKLIN ACCOUNTANT

OUR CURRENT POSITION

THE MISSION STATEMENT

The Council considers its main purpose is to ensure that the Community of Spennymoor can democratically voice its opinion and that the Town Council can support the carrying out of those views and contribute towards the economy, regeneration and well being of the Community, all at an economical cost.

AIMS FOR THIS SERVICE

In support of the Mission Statement, the Town Council awards grants to deserving individuals and organisations to enhance the quality of life and well being of the community

DESCRIPTION OF THIS SERVICE

The service is not a statutory function. The service can briefly be described as the provision under S.137 LG Act 1972 by the Council to award grants to individuals and or organisations that are of benefit to the Community.

HOW DOES THIS SERVICE AFFECT OUR COMMUNITY

The Council considers the provision of grants to deserving individuals and organisations to have a positive impact on the community as a whole, as well as enriching the quality of life of the people involved in accessing that provision.

The schedule of grants award (appendix 1) demonstrates the spread of population benefiting from the Council's policy.

PERFORMANCE INDICATORS

Because the Council has been committed to supporting community organisations, a set of performance indicators are currently in place, to which the Council refer when they are considering new applications for support.

The following performance indicators are currently in place:

- i) Annual Expenditure
- ii) Number of grants awarded

CONSULTATION

In order to seek a consensus from the community as to whether Council Taxpayers value the provision and would like the Council to continue to provide financial support to local organisations, a 'sample survey' of local residents was conducted. Whilst the number of respondents to the survey was approximately 24%, the information received provided a statistically valid sample of opinion.

In order to ensure a wider view of the value of Section 137 funding, employees within the Council and Councillors were individually canvassed as to their views of the relevance and potential continuation of financial support for organisations within the Area under the remit of the Council.

1. RESULTS FROM SURVEYS

Refer to the extract of the review and analysis of questionnaire responses (Appendix 2)

2. CONSULTATION WITH EMPLOYEES

All Staff were consulted and were unanimous in their view that S.137 grants were of overall benefit to the community (to be completed and evidenced)

3. CONSULTATION WITH COUNCIL MEMBERS

All Council Members were consulted and were unanimous that the system of awarding S.137 grants to deserving individuals and organisations were of overall benefit to the community (to be completed and evidenced)

COMPETITION

Is the service – Efficient?

Applications for grants are subject to the democratic process of the Council. The Council considers it is best placed to administer this service.

Is the service – Effective?

A broad range of individuals and organisations benefit from this service.

As a result of consultation and consideration by the review committee questions must be asked as to the level of public awareness as to grant availability.

Information given in Appendix 1 demonstrates that a number of beneficiaries apply for assistance on an annual basis.

Is the service – Economical?

Council members give consideration to all applications. This duty is carried out and forms part of the overall workings of the Council.

Council members give up their time at no cost to the community.

There are no dedicated employees used to provide the service.

The service is monitored as follows: -

A spreadsheet detailing grant beneficiaries is regularly updated.

All correspondence regarding this service is given consideration by the Council

FINANCIAL APPRAISAL

In order to ensure that the Review Committee could appraise the value of the service, expenditure, current, previous and estimated was examined.

Details are described below:

1. The service is subsidised with the current year level estimated at £30,000.

2. The Council last reviewed its budgeted expenditure on

Revised Annual Budget - (date) F.& G.P.

Budget/Actual Financial Comparison - (date) F.&G.P.

3. Actual Expenditure – Previous Years

Estimated Expenditure – Current Year

Refer to information supplied – APPENDIX I

COMPARISONS

In order to support the principle of ‘Compare’ within Best Value information has been sought from a number of Councils.

1. The following Councils kindly assisted in supplying information for Benchmarking purposes. Peterlee – Seaham – Shildon – Great Aycliffe
2. The comparative data supplied is shown on Appendix 3.
3. Data sources for the comparative information is held on file.
4. It should be noted that other Councils use different statutory provisions regarding expenditure.
e.g. Seaham Town council – thus eroding the benefit of true comparison.

CHALLENGE

A purpose of Best Value is to challenge the status quo.

The Review Committee began by challenging the way that the service is currently provided and considered the following challenging questions:-

1. Is the provision of this service a statutory obligation?

YES / NO

2. Does the Council need to provide this service?

Whilst there is no statutory obligation to provide this service the Review Committee unanimously agreed that it should be continued for the well being of the community.

This was in line with the Councils Mission Statement.

This decision was consistent with the views of the community evidenced by the outcomes of service consultation.

3. Does the Council have the best mechanism for resource allocation?

Analysis of the questionnaire and previous recipients of support, showed that not all organisations within the town were represented in resource allocation. The Review Committee felt there was a weakness with the current system and that the following should be considered:-

- a) The current system provides for only one grant to be awarded to an individual/organisation in any one financial year. The committee were unsure as to whether this limitation is good or not.

This suggests that people can come annually and given that one objective may be to widen the remit to enable other organisations to access support, this may mean support will have to be rationed.

- b) Data demonstrates that people who are aware of the system in many cases apply for assistance on an annual basis. These organisations may not be representative of the whole variety of organisations operating within the area. The process is therefore not 'inclusive' and 'transparent'; neither does it represent value for money. Why should the same organisation need continued support? Continued support may appear to generate a dependency culture, not a culture where organisations develop strategies to help themselves.

Data gathered from consultation suggests that there is a lack of awareness by our community that the system exists. Therefore not all organisations in the area understand that funding opportunities exist.

- c) The Council has not a set of established criteria for allocations of grant, nor does the Council monitor their decisions or scrutinise the outcomes of grant provision. This is not consistent with the principles of Best Value, nor does it enable a transparency of decision making. It may lead the Council to criticism of ‘favouritism’ and favours for restrictive groups within the community.

4. What is the Council’s policy? Is it right?

The Review Committee considered that current policy, whilst consistent with the values of the Council, had weaknesses that would be eradicated by actions proposed in 3 above.

5. Does our system enable specific requests to be approved for one off projects?

The Review Committee agreed that the current system enables requests to be provided for and could be incorporated into the future type of provision.

6. Does the policy utilise other grants that may be available?

Whilst the Review Committee were aware that under the “Principal Powers and duties of Local council’s” the Town Council were able to make payments covered by statute other than Section 137 LGA 1972.

It was agreed that for reasons of Best Value, Budgetary Control and Accountability it was preferable to use Section 137. Other appropriate statutory provisions would be utilised in the event that funds were exhausted.

7. Does our current system enable all groups/individuals to access funding fairly?

See 3(b). It was agreed that this was not the case and the committee suggested the possibility of publicising the service to overcome this lack of awareness.

8. Do we have criteria to establish grant allocation?

The Committee considered that the current system had its weaknesses and suggested the actions mentioned in 3 above to strengthen and to make the system more accountable and open to public scrutiny.

9. Does our system provide for recompense for grants provided but not expended?

YES / NO

Systems mentioned in 3 above would eradicate this weakness. This is clearly not Best Value and needs addressing as soon as possible.

10. Is there an effective system in place to monitor and evaluate the effectiveness of the Council's spending decisions?

The Review committee considered our current system to have weaknesses. There is currently no system to enable scrutiny of the Council's decision making process. There is no system to ensure that the Council sees an outcome of the funding provided. Implementation of systems mentioned in 3 above would eradicate these weaknesses.

The Committee agreed that it would publicise on an annual basis information on whom it supported and the extent of that support. This changes the relationship between the Council and those who benefit from funding. Given that organisations access funding from other Council Taxpayers, it is only right and proper as well as being Best Value, that organisations are held to account on the use of public funds.

OVERVIEW – STRATEGIC ASSESSMENT.

Does the service meet the Council’s current aims/objectives?

YES / ~~*NO*~~ in part but not yet within the principles of Best Value to which all public services are accountable.

Has the Service met the council’s aims and objectives?

Sections of the community have benefited from the provision of this service, albeit in a haphazard and less than accountable way. The changes proposed within this review would enable a Best Value system for the allocation of financial support to be adopted as well as making the system open and transparent.

Whilst the service is open to all sections of the community, not all sections know of this facility. The Council is therefore prepared to increase awareness by publicity. Inevitably, this may mean that the Council may need to prioritise and ration funding allocations during the year. The monitoring systems suggested will enable a fair allocation of a finite resource and enable the Council to measure the effectiveness of its decisions and the impact of the decisions on the well being of the community.

Does the Council consider the provision of the service to be a strategic priority?

YES – The Council is committed to enhancing the quality of life of it’s residents and intends to maintain the service provision and to make the necessary improvements to the methodology of provision of the service as identified in this Best Value Review.

The Council considers the provisions for the service to be an integral part of its overall Mission Statement.

The Council believes that implementation of the recommendations of this Best Value Review will not only enhance the current provision but will lead to a system that is more accountable and more accessible to the community organisations within the Spennymoor area.

SERVICE IMPROVEMENT – ACTION PLAN

The Committee, having due regard to the review process, are unanimous in the opinion that the Community benefits from the provision of grants and that Spennymoor Town Council is best placed to administer grant distribution.

Resulting from the review the Committee have recognised certain weaknesses and opportunities to facilitate a fair and equitable distribution of what is a limited resource.

1. A system of grant application forms will be introduced to improve upon the way the service is delivered and monitored.
2. Performance indicators as detailed in Appendix 3 will continue to be used. Further performance indicators may be used when data, as a result of the proposed system of application forms, is captured.
3. The targets for the service are:
 - to continue to provide the service at current financial levels
 - to increase community awareness of grant availability
 - to implement systems to improve service effectiveness

APPENDIX 3

SECTION 137 GRANTS – COMPARATIVE DATE.

	Spennymoor	Peterlee	Seaham	Sildon	Great Aycliffe
Expenditure Year ended 31/3/00	£64,481	£60,520	£ -	£14,730	£15,778
Number of Grants Awarded	55	TBA	TBA	TBA	TBA
Approximate Population	19,000	22,620	21,184	10,639	27,764
Precept	£886,893	£719,937	£555,293	£503,293	£1,119,768
Ratio Grant Expenditure: Precept	7.27%	8.41%	-	2.93%	1.41%
Cost Per Resident	£3.39	£2.68	-	£1.38%	£0.57

**Are we a caring Council? - higher percentage higher cost per resident
If we reduced expenditure – would we be efficient or less caring?**

APPENDIX 2

REVIEW AND ANALYSIS OF QUESTIONNAIRE RESPONSES

GRANTS SECTION 137.

Are you aware that Spennymoor Town Council award Grants to Organisations and Individuals?

Yes	No
42%	58%

Have you as a member of an Organisation or as an Individual received a grant in the last 5 years?

Yes	No
13%	87%

It is the Council's policy to award Grants to Organisations/Individuals. Do you agree.

Yes	No
97%	3%