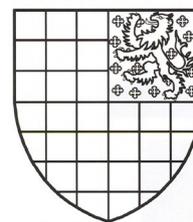


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**LEWES
TOWN
COUNCIL**

MINUTES

of the **Audit & Governance Panel** held on **Wednesday 25th November 2020**, online via Zoom Meetings at **6:00pm**.

PRESENT Cllrs Catlin; Lamb; Milner (*Chairman*).

In attendance: S Brigden (*Town Clerk [TC]*)

AudPan2020/01 QUESTIONS: There were none.

AudPan2020/02 APOLOGIES FOR ABSENCE: Apologies had been received from Cllr Maples, who had a conflicting commitment. Cllr Bird had technical difficulties with connection.

AudPan2020/03 DECLARATIONS OF INTEREST: There were none.

AudPan2020/04 MINUTES: The minutes of the meeting held on 27th July 2020 were received and signed as an accurate record.

AudPan2020/05 BUSINESS OF THE MEETING:

Routine financial monitoring: Members were furnished with detailed information (*copies in minute book*) following the end of the second quarter of the financial year and miscellaneous comparative values *in present status* compared with budget and with the same period in the previous year as, whilst the full effects of Covid-19 continued to develop, these helped with context.

1. *Budget monitoring update* – this showed actual expenditure and income values as posted to the Council's *Sage* accounting system for all transactions processed in the period. There was some discussion on salient points of detail, and TC responded with reference to the identified sources.
2. *Oversight as required by the Governance & Accountability Code of Practice:* Due to remote working, TC was unable to show the file of periodic bank reconciliations for review of the scrutiny already conducted. Ordinarily the Chairman would append his signature to verify this, but this could be done in arrears at any point during the year.

Review of assessment protocol for major funding requests: Following the first use of the protocol recommended by the Panel earlier in the year, Council had asked that it be reviewed in light of that experience (Council meeting 8th October 2020). The Panel considered report AP001/2020 (*copy in the Minute Book*) which covered the matter.

3. The Audit Panel had proposed, and Council had adopted, a set of criteria and assessment protocol, along similar lines to that employed by the Grants Panel, by which all applications for 'major funding' will be assessed if falling outside the established miscellaneous grants scheme.
4. The system adopted is described in a Briefing Note, to accompany any agenda for a meeting at which an eligible request is to be considered.
5. The template can be used at any meeting of Council; Committee or Working party, with applicants asked to submit their request in whatever form is appropriate to them, and Members attending the meeting will then apply a score, to allow a moderated aggregate to be evaluated to indicate the overall level of support.
6. It had been recommended that the meeting at which this was conducted should set a minimum threshold score required before a request might be eligible for further consideration (65% was suggested), and the matter then concluded following scoring and discussion.

7. The protocol was used for the first time in October 2020 and the Council did not elect to set a threshold but, acknowledging that there was significant support evident in the value of scores awarded, the issue was decided on a final subjective discussion. This gave rise to a request for a refinement of the protocol by the Audit Panel.
8. It had been suggested by a Councillor that this might be achieved by the introduction of these steps:
 - a) A threshold level of 40%, with automatic rejection if this is not achieved.
 - b) For requests scoring above the threshold, the percentage score would serve to determine the degree of support and an initial amount recommended, *eg.* a request for £5,000 with a score of 60% would result in an automatic proposal that the applicant is awarded £3,000 (always subject to any financial considerations highlighted in accompanying report(s)). The meeting would then vote on this, or amendments may be proposed if individuals wish to propose a higher or lower amount.
 - c) If the Council agreed to fund an applicant who was looking for partial funding for a larger project, members may wish to agree the sum “in principle” only; on the understanding that funding from other sources to meet the total required could be evidenced before funds were released.
9. There followed some discussion on the principles of the moderated scores and the use of a median value of those scoring, as a proxy score on behalf of any Member who did not submit a value. Panellists reviewed their recommendations to emphasize that the first step should always be the deciding of a threshold score, and that they hold to their original recommendation of 65% as a ‘default’ value for most applications, to initiate any further consideration. Failure to reach the threshold should indicate automatic rejection without further debate.
10. The establishment of a base threshold was fundamental to the original proposal, as a benchmark against which to determine the support for further, detailed, consideration. The Panel considered that a potential drawback in linking the amount of any award in direct proportion to the support ‘score’ was that many applications of this nature may be unable to proceed without the full amount requested *eg* a score giving proportional grant as high as 95% could nonetheless represent an unworkable shortfall to the applicant.
11. It was considered that once the threshold level of support had been reached, further discussion should be open and reflect the context of a particular application with the value of any award not directly in proportion to the score, as had been suggested. Any award should ultimately be decided by a vote in the usual way following debate.

AudPan2020/06

CONCLUSIONS/RECOMMENDATIONS:

1 Members considered information on the Council’s financial status and management for the second quarter; and were satisfied with the position in light of prevailing circumstances. It was acknowledged that routine bank reconciliations would be validated by physical signature later in the year.

2 Members recommend that the assessment of major funding requests should follow the protocol originally recommended and described in these Minutes and that the relevant Briefing Note be amended to emphasize key points (*copy appended*).

AudPan2020/07

There being no further business, the Chairman thanked everyone for their attendance and declared the meeting closed.

The meeting closed at 6:55pm

Signed date

Assessment of requests for 'Major funding'

Background:

1. The system employed when assessing smaller grants (<£2,000) within the established Community Grants Scheme is that the Grants Panel evaluates applications in four 'rounds' each year, with members individually awarding scores on perceived merits in five categories; then collectively analyzing aggregate results, and reaching consensus having assessed comparative 'ranking' of applications and other factors. Recommendations for awards are made in a report to Council.
2. Requests arise from time to time for financial support in larger sums – "Major funding" - usually related to projects within the community that appear to the applicant body to have some resonance with the aims of a parish council, and these may be brought direct to Council or to a Committee or Working Party according to context.
3. Such requests are usually received individually, and a system of comparative ranking as used by the Grants Panel is not appropriate. Council has agreed a system (*Resolution FC2020/07.2 refers*), devised by the Audit & Governance Panel, giving a simple, structured, assessment that can be understood by both applicant and assessors. This follows the same principle of five equally-weighted elements and similar criteria. These are:
 - i) Closeness of match to the council's objectives and underlying values*
 - ii) Overall "robustness" of the proposal – *ie* general likelihood of success/sustainability
 - iii) Financial planning exhibited – *ie* adequacy/prudence/appropriateness *etc.*
 - iv) Scope and sustainability of the proposal – *ie* beneficiaries; scale; thoroughness
 - v) A personal (subjective) assessment; based on any special insight or considerations.

Also considered are factors such as the balance or proportion of Council funding being sought, compared with other sources and the applicant's own funds, and other detail elements of a proposal.

*These are inherent in the establishment of a parish Council and enhanced by published policies in specific areas of activity or aspiration.

Assessment:

4. When a relevant application is received, to be considered at any meeting of Council; Committee or Working party, a report on the agenda or a submission by the applicant will be accompanied by this briefing note and a blank scoresheet for Councillors to complete individually. An example is attached to this note.
5. Councillors should individually record a score for each of the five elements (maximum score 20 for each = total max 100) according to their own judgement. A median average of the scores recorded by those present will be entered on behalf of any absent Member. The resulting total score will be represented as a percentage of the maximum possible. This process is a first-stage to moderate any inherent 'high' or 'low' scoring tendencies among individuals. The final decision is reached following a discussion – informed by the 'scoring' of the application in terms of total score and proportion of the theoretical maximum.
6. Council should set a minimum threshold score required before a request might be eligible for further consideration (65% is recommended in most circumstances). Failure to reach the threshold will result in immediate rejection. If there is sufficient support, represented by a score at or above the threshold, the matter is then concluded following discussion.
7. Following discussion, any award should be agreed by a vote in the normal manner.

FUNDING APPLICATION ASSESSMENT SHEETLarger sums or requests falling outside the Financial Grants Scheme *(Resolution FC2020/07.2 refers)***LEWES
TOWN
COUNCIL**Ref: *report FCnnnn/20nn*APPLICANT *name* Requested **£n,nnn**

Councillor _____

Date: **meeting date**

	AREA	COMMENTS	SCORE (Max 20)
1	Closeness of match to the Council's objectives and underlying values		
2	"Robustness" of proposal – general likelihood of success/sustainability		
3	Financial planning – adequacy/prudence/appropriateness		
4	Scope & Sustainability – beneficiaries; scale; thoroughness		
5	Personal (subjective) assessment – any special insight or consideration		
TOTAL (max 100)			

Signature _____