

To: Members of the Cabinet

Date: 22 May 2023

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Dear Councillor

I refer to this agenda for the meeting of the **CABINET** to be held at **10.00 am** on **TUESDAY, 23 MAY 2023** in the **COUNCIL CHAMBER, COUNTY HALL, RUTHIN AND BY VIDEO CONFERENCE** and enclose the following report.

Agenda Item
No

5 OUTCOME OF PARTNERSHIPS SCRUTINY COMMITTEE'S REVIEW OF CABINET'S DECISION RELATING TO APPLICATIONS SHORTLISTED FOR SHARED PROSPERITY FUNDING (Pages 3 - 8)

To consider the outcome of the review of the decision taken by Cabinet on 25 April 2023 relating to Applications Shortlisted for Shared Prosperity Funding which had been subject of a call-in to scrutiny and considered by Partnerships Scrutiny Committee on 18 May 2023.

Yours sincerely

G Williams
Monitoring Officer

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Report to	Cabinet
Date of meeting	23 May 2023
Chair of Scrutiny	Councillor Joan Butterfield, Chair of Partnerships Scrutiny Committee
Head of Service	Lisa Jones, Interim Head of Corporate Support Service: People
Report author	Rhian Evans, Scrutiny Co-ordinator
Title	Outcome of Partnerships Scrutiny Committee's Review of Cabinet's Decision Relating to Applications Shortlisted for Shared Prosperity Funding

1. What is the report about?

- 1.1. The conclusions reached by Partnerships Scrutiny Committee following its review of Cabinet's decision of the 25 April 2023 relating to the 'Applications Shortlisted for Shared Prosperity Funding'.

2. What is the reason for making this report?

- 2.1. To present Cabinet with the conclusions and recommendations following Partnerships Scrutiny Committee's review of the Cabinet decision relating to the 'Applications Shortlisted for Shared Prosperity Funding'.
- 2.2 To seek Cabinet to review its original decision taking into account Scrutiny's conclusions and recommendations.

3. What are the Recommendations?

- 3.1 That Cabinet upholds its decision of 25 April 2023, insofar that it relates to the projects shortlisted by the Core Partnership Group for approval, and in doing so agrees that:
- 3.2 information on the evaluation conclusions relating to each individual application received for Shared Prosperity Funding be shared with all county councillors forthwith;
- 3.3 information relating to the governance arrangements for the Shared Prosperity Funding will be shared with all county councillors;
- 3.4 each Member Area Group will be updated on any risks identified relating to individual projects and on progress with their deliverability going forward;
- 3.5 the Communication Plan relating to the Shared Prosperity Funding be shared with all county councillors; and
- 3.6 the Leader, Lead Member for Corporate Strategy, Policy and Equalities and the Corporate Director: Environment and Economy will liaise with local members prior to taking any delegated decisions that may be required, as outlined in the Cabinet report of 25 April 2023.

4. Report details

- 4.1. On 25 April 2023 Cabinet considered a report on '[Applications shortlisted for Shared Prosperity Funding](#)'.
- 4.2 At the conclusion of its discussion Cabinet's decision was that it:
 - (a) *"confirms it has understood the application and shortlisting processes and approves those procedures being fair and open;*
 - (b) *agrees to fund the projects shortlisted by the Core Partnership Group (Appendix C to the report), and*
 - (c) *grants delegated powers to the Leader to make subsequent decisions, in consultation with the Lead Member for Corporate Strategy, Policy and Equalities and the Corporate Director Environment and Economy. These decisions might be required should the circumstances described in paragraphs 4.9, 4.10 and 4.11 of the report occur."*

4.3 The Council's 'call-in' procedure defines a process for Scrutiny to exercise its statutory powers to review or scrutinise executive decisions, and to request that the decision-maker reconsiders a decision that has been taken, prior to it being implemented.

4.4 The Cabinet's decision was published on the Council's website on 27 April 2023. Between the 28 April and 2 May 2023, 'Notice of Call-In' e-mails by the required number of non-Cabinet councillors were received in respect of the above decision. This was within the 5 working day timescale stipulated in the Council's 'Call-in Procedure Rules'. The grounds for the Call-in were:

"An allocation of 25.6 million has been made to Denbighshire through the UK Prosperity Fund. An open and transparent process must be adhered to for the allocation of those funds.

Lack of understanding of the application and shortlisting process. There is no evidence of a scoring matrix and was described as "Art, not a science". Not sufficient evidence on how projects have been awarded and approved. A lack of evidence aligning the process with the UK government guidelines. No evidence of a right of appeal for applicants or extra information gathering to support the applications. Lack of consultation with all members in the process."

4.5 The Council's 'call-in' procedure stipulates that a special meeting of a scrutiny committee should be convened within 5 working days of the receipt of the Notice of Call-In of Decision unless a scrutiny committee has a scheduled meeting within that period. The procedure also states that this timeline can be extended if both the decision-maker and the Chair of the scrutiny committee agree to an extension. To facilitate the provision of sufficient background information to enable the Committee to review in detail the basis of the Cabinet decision an extension to the timeline was agreed. Consequently, the decision was considered by Partnerships Scrutiny Committee at its meeting on 18 May 2023. The report presented to the Committee, including the additional information provided can be viewed [here](#) (agenda item 6).

4.6 An extensive discussion took place at the meeting on matters relating to the:

- application process for Shared Prosperity Funding

- the alignment of the scoring and shortlisting processes for the applications with the guidance provided by UK Government
- the constrained timescales within which applications required to be submitted, evaluated, approved and delivered; and
- communication and engagement with potential applicants and elected members.

The Committee's [debate](#) on the above can be viewed in its entirety on the Council's website.

4.7 At the conclusion of the discussion the Committee acknowledged the complexities involved with the Shared Prosperity Funding (SPF) process. The Committee was reassured that the processes applied in dealing with the applications and shortlisting had been both robust and undertaken in a professional manner. It did however have concerns on the fragility of aspects of the communications on SPF matters with Group Leaders, Member Area Groups (MAGs) and the wider Council membership.

4.8 As a result, in recommending to Cabinet that its decision of 25 April 2023, insofar that it relates to the projects shortlisted by the Core Partnership Group for approval be upheld, it did make further recommendations. These relate to information sharing on SPF arrangements and regular communication with all elected members on project award and deliverability going forward.

4.9 The Committee's objective in formulating these additional recommendations is to strengthen the Council's communication and engagement with residents, businesses and communities across Denbighshire. Ensuring that all elected members are fully briefed on important funding streams and the decisions taken in relation to them empowers them to confidently communicate the rationale behind any decisions to residents and stakeholders. The Committee therefore seeks Cabinet to endorse the recommendations put forward.

5. How does the decision contribute to the Corporate Plan 2022 to 2027: The Denbighshire We Want?

5.1. See Section 5 of the Cabinet report dated 25 April 2023.

6. What will it cost and how will it affect other services?

6.1. See Section 6 of the Cabinet report dated 25 April 2023.

6.2. The costs associated with endorsing Scrutiny's recommendations can be met within existing budgets.

7. What are the main conclusions of the Well-being Impact Assessment?

7.1. See Section 7 of the Cabinet report 25 April 2023.

8. What consultations have been carried out with Scrutiny and others?

8.1 This report presents the conclusions of the Scrutiny process and the recommendations arising from it.

9. Chief Finance Officer Statement

9.1. See Section 9 of the Cabinet report dated 25 April 2023.

10. What risks are there and is there anything we can do to reduce them?

10.1. The endorsement of Scrutiny's recommendations in relation to the original Cabinet decision should mitigate the risk to the Council of adverse community reaction and/or negative media coverage in relation to its use of public funds.

11. Power to make the decision

11.1. Sections 21(2) and (3) of the Local Government Act 2000; and

11.2 Section 7.4.2(a) of the Council's Constitution stipulates that "Scrutiny Committee may review and scrutinise the decisions...of the Cabinet" whilst Section 7.4.2(d) states that they may "make recommendations to the Cabinet...arising from the outcome of the scrutiny process."

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