

ASSEMBLY

5 December 2012

Title: Response to Petition – Cuts to Voluntary Sector	
Report of: Corporate Director of Adult & Community Services	
Open	For Decision
Wards Affected: All	Key Decision:
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Accountable Divisional Director: Karen Ahmed	
Accountable Director: Anne Bristow	
Summary: <p>The council has received a petition containing 285 signatures from 232 separate addresses in the Borough (including 9 key voluntary sector locations) requesting that the Council rejects the proposed cuts to the voluntary sector.</p> <p>The petition states:</p> <p>We the undersigned petition the Council to recognise the invaluable role of the voluntary sector in delivering services and support to local residents, and to accept that with the cuts to public services being imposed by national government this role is becoming increasingly important.</p> <p>We further petition the Council to recognise that the voluntary sector has already taken a very large cut to its funding, and that the current proposals for an additional £165,000 cut on top of that already agreed is disproportionate, unfair and unnecessarily damaging to the sector.</p> <p>If agreed, these cuts will undermine infrastructure support, equalities work and advice provision. They will reduce the support available to local groups and damage the sector's ability to bring external income into the borough and deliver much needed services to local residents.</p> <p>The impact of these cuts will be enormously damaging to local voluntary and community groups, and the services that they are able to provide to local residents, whilst the cost savings to the Council will do little to meet its funding gap.</p> <p>We therefore petition the Council to reject the proposed cuts to the voluntary sector.</p>	

In accordance with the Council's procedures for petitions, the CVS lead petitioner, Mr Ted Parker, has been invited to the meeting of the Assembly to present the petition.

Recommendation(s)

The Assembly is recommended to agree, for the reasons set out in this report, that it is unable to support the petition.

Reason(s)

Under the Council's Petition Scheme as set out on the Council's web site, petitioners are entitled to a debate at full Assembly if the petition has the support of 100 or more signatures from different addresses in the borough.

As this petition reaches that threshold it has triggered the requirement for a debate at Assembly.

1. Introduction and Background

- 1.1 The Council's budget-setting process for 2013/14 and 2014/15 comes at a very challenging time for public services, and local government in particular. In October 2010 the Government announced in its Comprehensive Spending Review the scale of financial challenge facing public services. Local government is facing a cut of 28% in real terms between 2011/12 and 2014/15. Since the Government's budget announcements and the significant savings decisions already taken by the Council in February 2012, a number of additional pressures have emerged as a result of legislative and demographic changes.
- 1.2 As part of setting the 2012/13 annual budget and Council Tax in February 2012, Assembly approved £10.950m of savings for 2013/14 and a further £0.739m for 2014/15. Following those reductions, to achieve a Council Tax freeze, further savings of £8.380m and £15.311m were required.
- 1.3 In responding to the cuts imposed by the Government, the Council has had to make some extremely tough choices on how and where it spends its money. The Council is doing all it can to minimise the effects of these cuts on frontline services and will build on its record of delivering new and better ways of doing things in order to keep public services running effectively in these tough times. The Council has already taken a number of measures to increase efficiency and protect – as far as possible – frontline services, and limit the impact on statutory services.
- 1.4 Continuing reduction of the Council's budget imposed by central Government requires the Council to reduce its expenditure further. The Council greatly values the local voluntary sector and recognises the importance of these groups to local residents. However, due to the need to make unprecedented budgetary reductions for the upcoming financial year, it has become necessary to reduce spending on valued services and organisations. Although funding may decrease, the Council will make every effort to support the voluntary sector in sourcing alternative income and provide assistance to local organisations where possible.
- 1.5 The current Corporate Grants and Commissioning Programme was agreed by Cabinet in December 2010 to ensure that limited funds were targeted to where they would be most effective in achieving the programme's objectives. The focus of the

programme was towards *building the capacity* of voluntary and community groups in the borough, and *building community cohesion*. The current Community and Legal Advice Service was commissioned through a separate process.

1.6 Commissioned services provide advice services, capacity building for community groups and strengthening community projects. Services funded include the voluntary sector infrastructure organisations CVS, Volunteer Bureau, ACE (community accountancy), the five equalities fora, strengthening communities commission, CLAC advice and race hate crime case work. The Innovation Fund provides grants of up to £10,000 for new projects, and the Pump Priming fund provides grants of up to £1,500 for emerging needs and opportunities. The budget also provides the Council's required contribution to the London Councils grants programme.

1.7 This proposal provides a recommendation for continuing to meet those themes in the best way possible within the reduced resources available. Advice and capacity building are each addressed through the relevant commissions. Community cohesion will be developed primarily through the award of Pump Priming grants. A partnership approach to community cohesion recognises the value of all local organisations in delivering a range of activities within the Borough. This is summarised in ***Together – a Community Cohesion Strategy for Barking and Dagenham***.

2. Proposal and Issues

2.1 At the meeting of the Safer Stronger Community Select Committee held on 31 October 2013, Members reviewed a number of budget savings proposals, including Voluntary Sector Grants and Commissions (ACS SAV 07). A number of proposals were discussed and representation was made.

2.2 As part of the Medium Term Financial Strategy for 2013/14, it was agreed that the Voluntary Sector Grants and Commissions' budget was £636,000. This takes into account a pre-agreed reduction of £215,000, which is the last of three annual savings totalling a reduction of £750,000 from the service.

2.3 The savings proposal sets out the following:

Of the remaining budget of £636,000 for 2013/14, £220,000 is the contribution to London Councils, leaving £416,000 for the Council's commissions and grants. It was proposed to reduce this by an additional £120,000. If accepted, this would leave £296,000 to commission core strategic functions which fit with the Council's priorities. These are:

- **Voluntary and Community Sector Support (£100,000)**. This service will combine voluntary and community sector training, information, support, funding and development support, volunteer development and coordination and community accountancy functions.
- **Advice and Case Work (£185,000)**. This service would combine a generalist advice service, coordination of third party hate crime reporting, and hate crime case work. Hate incident reporting would benefit from the multiple locations and reach of the generalist advice service. Should the proposal

made at the Safer and Stronger Community Select Committee be upheld by Cabinet, this budget may increase to £195,000.

- **Grants (£11,000).** The funding for Innovation Grants would be ended, and the funding for Pump Priming grants increased to £11,000 to provide maximum benefit from the reduced funding available.

- 2.4 The Safer and Stronger Community Select Committee on 31 October 2012 agreed to recommend to the Cabinet that the proposed saving be reduced to £110,000 on the basis that the Council has seen an earlier reduction in payment to London Council. It has been recommended that this funding is used to further support the advice services in recognition of the impact of the welfare reforms.
- 2.5 **London Councils (£220,000).** The Council currently pays the minimum legally required contribution to London Councils Grants Scheme, but is continuing to seek a reduction in the amount. The London Councils grants programme provides very poor value for money for Barking and Dagenham. This programme funds pan-London projects through voluntary and community sector organisations. None of the current delivery organisations are based in Barking and Dagenham, although one organisation provides services to the borough. The Council has made continued efforts to obtain more benefit to the borough from the projects funded, and to obtain a reduction in contribution. London Councils have now indicated that the 2013/14 contribution from the borough is likely to be £205,000. The compulsory contribution is calculated per capita, and so the borough's contribution may rise in future years.
- 2.6 The Council's Cabinet will make a decision about the proposal at its meeting on 19 December 2012. This will enable the proposal to be considered along with other savings proposals for 2013/14. Tenders for commissions to provide the new services will be sought from January 2013 with a view to commencing from 1 April 2013.

3. Options Appraisal

- 3.1 The Council's main option to reduce impact of the budget reductions upon services for local residents is to continue to seek a reduction in the borough's contribution to the London Councils Grant Scheme.
- 3.2 It is possible but not certain that each Equality Forum would continue following the end of the Council's funding. Each of the fora would be supported by the CVS and the Council to identify other sources of future funding, should they wish to continue without their current funding from the Council. The Council would continue to provide meeting space, and officer attendance when requested.
- 3.3 By retaining Voluntary and Community Sector Support, the current Equality Fora would be able to obtain support in identifying other possible sources of funding and finding sustainability. The Voluntary and Community Sector Support Service would provide training, support and advice to local residents, including equalities groups. The current Equalities Fora provide engagement for other statutory bodies, including the police and health services and these agencies would need to build changes into their consultation programme to ensure that they continue to meet their equality duties.

- 3.4 Barking and Dagenham has a significantly higher than average percentage of residents who are disabled. The Council would work through other structures, including the new Healthwatch, to arrange one off meetings and maintain contact with groups who work with and represent disabled people to ensure that future changes to services and new policies effectively take account of their interests and needs. The Council will continue to work with other partners, including DABD, ILA and DIAL, to engage with and support residents with disabilities. Healthwatch will continue to maintain contact with people from each of the protected characteristics.
- 3.5 The generalist advice service would coordinate hate crime reporting and provide some case work support for victims of hate crime as well as providing generalist advice. Combining these aspects would allow the necessary saving to be made at least in part through administrative rather than service delivery savings. This would ensure that all these areas would be fully coordinated. By commissioning these services, front line services which particularly benefit people with a protected characteristic would be protected, providing a better outcome than would be the case if these services were further reduced whilst the Council retained the equalities fora.
- 3.6 The proposal would mean that Pump Priming Grants could continue to be awarded. In particular, it would be possible to fund a range of neighbourhood activities and projects. This would be a key support for the borough's new Cohesion Strategy, which emphasises the need to support residents to develop local services and activities, to support the requirement to foster good relations between people with protected characteristics and the wider community.

4. Consultation

- 4.1 Consultation with the voluntary sector was launched on 16 July 2012, where the proposal was outlined and discussed at the meeting of the Voluntary Sector Forum. A consultation document was issued at that time. Some changes were made to the final proposal which was published alongside other proposals as part of the Safer and Stronger Community Select Committee agenda in October 2012.
- 4.2 A meeting was held on 18 July 2012 between the Corporate Director for Adult and Community Services and the chairs and directors of all the currently commissioned organisations to discuss the proposal and receive feedback. At this meeting the lead petitioner requested that the timetable for consultation on the voluntary sector proposals be extended to fit in with the other cost saving proposals and this was agreed. The deadline for all responses to the consultation was therefore 12:00 noon on 30 November 2012. Members will be provided with details of all responses to the proposals which are provided by that date. This allowed for an extended consultation period of five months.

5. Financial Implications

Implications completed by: Dawn Calvert, Finance Group Manager

- 5.1 The 2013/14 budget for voluntary sector grants and commissions is £636k. This includes a pre-agreed saving of £215k. A further saving of £120k (ACS SAV 07) has been proposed which would reduce the 2013/14 budget to £516k. The 2013/14 contribution to London Councils of £220k must be met from this budget. This leaves a balance of £296k which will be sufficient, pending no further reductions, to

fund voluntary and commissioning sector support (£100k), advice and case work (£185k) and Pump Priming grants (£11k).

6. Legal Implications

Implications completed by: David Lawson, Deputy Head of Legal and Deputy Monitoring Officer

- 6.1 The Legal Practice does not identify further implications in this report other than to continue to have due regard to S.149 of the Equality Act which requires public bodies to consider all individuals when carrying out their activities. Public bodies are therefore required to have regard to the need to eliminate discrimination, advance equal opportunities and foster good relationships between different people when undertaking their activities. Additionally, this provision encourages public bodies to understand how different people will be affected by their activities, so that their policies are appropriate and meet different people's needs.

7. Other Implications

7.1 Risk Management

If the recommended reductions are made there would be significant risk to the viability of a range of voluntary organisations in the borough. The Council currently monitors the risk that:

“Failure to support and facilitate the development of a thriving third sector leads to non- or sub-optimal achievement of objectives in relation to community cohesion, economic skills and development, personalisation and efficiency targets. Continued failure of third sector organisations leads to reputational damage for the Council and the borough.”

This rating and the supporting action plan will be reviewed once a recommendation is agreed. There is a risk that some of the services receiving funding will experience increased demand as the impact of the recession continues. This will be monitored through the regular grant monitoring, and funded organisations supported to adjust the services offered within the contract price if appropriate.

7.2 Safeguarding Children

It is a requirement for all funded organisations to be fully compliant with the provisions of the Children Act 2004 (and the increased safeguards introduced in October 2009) as well as being section 11 compliant or working towards section 11 compliance and to have written policies in place for the protection of vulnerable children and adults. Compliance with this requirement is routinely monitored by the Local Safeguarding Children Board. If a funded organisation failed to meet the requirements, a range of remedies and sanctions are available to the Council up to and including the removal of grant aid.

The Faith Forum currently provides a representative to the Safeguarding Children's Board who liaises with local faith groups. The Council's safeguarding teams have used the Faith Forum as a point of consultation. Other arrangements would need to be made should the Faith Forum cease to exist.

The current volunteering contract includes the provision of a CRB service and voluntary sector support around safeguarding. This will be reflected in the merged voluntary and community sector support service commission although the provider may change due to the competitive nature of the process.

7.3 Health Issues

There have been several public health initiatives which have relied on the community engagement offered through the equalities forum. However, the creation of Healthwatch will provide a new mechanism for this kind of engagement.

7.4 Crime and Disorder Issues

The community cohesion strategy supports activity aimed at reducing tension and supporting communities to identify and resolve local issues, which may otherwise lead to community safety issues. The commitment and activities to promote neighbourliness and working together will promote trust and engagement, which will enhance community safety in the borough.

7.5 Property / Asset Issues

The Ripple Centre has been transferred to the CVS on a 25 year lease. The Council led applying for the substantial Lottery and London Development Agency funding to develop the centre. The conditions of funding from the Big Lottery allow for the transfer of management to another voluntary sector organisation if the Council and the Big Lottery agree. Should the CVS be unable to manage the building, this clause could be activated otherwise the Council would be liable to return funding to the Big Lottery.

Background Papers Used in the Preparation of the Report:

Consultation on Proposed Savings to the Corporate Grants and Commissioning Programme

ACS SAV 07 – Voluntary Sector Grants and Commissions

Corporate Grants and Commissioning Programme 2011/12, presented to Cabinet 15 March 2011.

Minutes of the Safer and Stronger Community Select Committee 31 October 2012.