

Leicester
City Council

**WARDS AFFECTED: Castle, Spinney Hills,
Humberstone & Hamilton**

DECISION TIMETABLE: 16th July 2003

SCRUTINY COMMITTEE: Strategic Planning Regeneration Scrutiny Committee

VOLUNTARY SECTOR BUDGET REDUCTIONS

Report of the Director of Environment, Regeneration & Development

1. Purpose of Report

To inform the committee of the audit of the voluntary projects supported by the Economic Development Team that was undertaken in December 2002 Furthermore to recommend funding for the financial year 2003/4 in light of making savings of £108,000.

2. Summary

The budget proposals detailed in this report have been shaped by the Council's "Three Year Budget Strategy" and by an organisational review of the City Council's Regeneration Division.

Within the framework of the Budget Strategy, members agreed to reduce the Regeneration Division budget by £350,000 from 2003/04 onwards. This was agreed by Cabinet on 24th February 2003.

Within the constraints of the Budget Strategy, officers have endeavoured to develop a fair and objective range of the budget reductions. Whereas this report sets out proposals to reduce grant funding to voluntary sector groups by £108,000, further cuts, amounting to £242,000 have been implemented within the Regeneration Division. This has led to a number of job losses within the Service.

The report sets out a list of recommendations regarding the future direction of the projects funded by the Economic Development Group, Environment Regeneration and Development. Nine projects were audited under a set of criteria that underline the projects aims against the business plan of the Economic Development Group, Leicester Community Plan and East Midlands Development Agency's (EMDA) Economic Strategy, alongside value for money, management structures, outputs, outcomes, target groups and the community.

The nine projects appraised are as follows:

South Highfields Opportunities project (S.H.O.P.)

Hitslink

Homeworkers Campaign for Change

Supply of Furniture and Accessories (S.O.F.A.)

Playscape

Babygear

Northfields Employment Development Initiative project (N.E.D.I.)

Leicester and County Co operative Development Project (L.C.C.D.A.)

Employment Opportunities for the Disabled project

Projects have been notified of and received four months funding from April to July 2003.

City Council Officers will be discussing with individual projects the rationale for the decision where grant funding is recommended for withdrawal or reduction. Furthermore officer work closely with affected groups to explore alternative sources of grant funding.

3. Recommendations

Members are invited to comment on the financial recommendations as follows for the nine projects appraised:

Project	Recommendation	Funding
South Highfields Opportunities project (S.H.O.P)	Continue funding at 2003/4 level	£40,100
Supply of Furniture and Accessories (S.O.F.A.)	Continue funding at 2003/4 level	£57,000
Playscape:	Continue funding at 2003/4 level	£54,600
Hitslink	Continue funding at 2003/4 level	£25,600
Employment Opportunities for the Disabled project	Continue funding at 2003/4 level	£2,200
Babygear	Reduce funding by £4300	£11,000 for 2003/4
Northfields Employment Development Initiative project (N.E.D.I.)	Reduce funding by £29,650	£29,650 for 2003/4
Leicester and County Co operative Development Project (L.C.C.D.A.)	Reduce funding by £43,000	£30,000 for 2003/4
Homeworkers Campaign for Change	Contract not renewed (£64,500)	Withdraw all funding from 1 st July 2003.

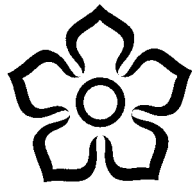
4. Financial, Legal and other Implications

1. **Financial Implications:** Recommendations and consequent actions taken provides a saving of £119,950 on 2003/2004 budgets. Any additional savings could buy additional outcomes from remaining projects and for 'one off' funding.
2. **Legal Implication:** All project contracts were up for review in March 2003 and were extended up to 30th June 2003.
3. **Other Implications:** Political and other implications in terms of closures, job losses and withdrawal of relevant service provisions in areas of need. In particular since funding is completely withdrawn from Home workers Campaign for Change and significantly reduced from Leicester & County Co-operative development Agency, Northfields Employment development Initiative and Baby Gear. Need to ensure that the existing client groups of the affected projects are moved on to other relevant and available services with other organisations.

OTHER IMPLICATIONS	YES/NO	Paragraph References Within Supporting information
Equal Opportunities	Yes	2- Baby Gear, 8-LCCDA, 3-HWCC
Policy	No	
Sustainable and Environmental	Yes	8-LCCDA 3-HWCC
Crime and Disorder	No	
Human Rights Act	No	
Elderly/People on Low Income	Yes	2-Baby gear, 3-HWCC

5. **Report Author/Officer to contact:**
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SUPPORTING INFORMATION

1. Report

The purpose of this report is to make recommendations from the audit of Projects completed in December 2002 in order to inform the business planning process for the Economic Development Group for 2003-2004. Furthermore, recommendations were made with a view to making a budget saving of £108,000 for 2003/04 and to ensure that the projects that receive funding are in line with Economic Development team's Business Plan, the Leicester Community Plan and EMDA's Economic Strategy.

Summary

Nine projects have been scored in line with the set criteria and the recommendations for the projects appraised are as follows:

1 South Highfields Overlocking project (S.H.O.P.)

Funding

2003/04 - £40,100 (with additional £3k ring fenced for childcare)

Project Briefing

S.H.O.P. is a well-established project providing textile and basic skills training and assessment to primarily Bangladeshi residents from the Highfields area. The project has a close match to the Community Plan, EMDA Economic strategy and the Economic Development Business Plan. The project also has an excellent track record of placing trainees into employment and regularly over achieves this target. The project represents excellent value for money at £997 per job outcome.

Recommendation

Continue to fund the project at current level. However, the project is to look at developing closer links with the current PSA target of placing Refugees into sustainable employment.

Implications

None.

2 Babygear

Funding

2003/04 - £15,300

Project Briefing

A small supportive project that provides varied training to a client group with predominantly mental health issues and learning difficulties. Links with the Community Plan, EMDA Economic strategy and Economic Development Business Plan are weak. Job outcomes for this client group is limited with open employment not often a realistic option. Management information needs to improve regarding evidence of outputs, job placement; and other information. The project is more in line with sheltered workshop provision. The project is funded primarily through Leicester City Council's Social Care & Health Department.

Recommendation

Grant aided money to be withdrawn and replaced with £11,000 output related funding linked to moving clients through - onto either employment or more vocational training, providing the project with opportunities to access finance linked to Economic Development activities.

Implications

Discussion with Social Services would indicate this project would suffer serious financial difficulties if Leicester City Council grant element removed leading to potential closure.

3 Homeworkers Campaign for Change

Funding

2003/04 - £64,500

Project Briefing

The project provides advice support and advocacy for current workers or people considering homeworking as an option. The project is small and accessible and is based in the Highfields area. Current targets are not clear or specific. Targets need renegotiating. The project is expensive and does not demonstrate good value for money. Links with Community Plan, Economic Development Plan and EMDA are weak, H.C.C.'s main provision is training in Information Technology/basic skills and advocacy work - both are provided or could be provided via a number of other agencies.

Recommendation

Project scored second lowest in the appraisal form exercise, also poor fit within Economic Development Group Business Plan. It is recommended that grant aid be withdrawn.

Implications

Project lost County Council funding in 2001 - unlikely to continue in current form.

4 Hitslink

Funding

2003/04 - £25,600

Project Briefing

Hitslink is a well-established organisation working predominantly in the Highfields area with disadvantaged and excluded groups. Grant aided contract provides support/ guidance/ job search to ensure 20 people are placed into employment, 100 receive employment advice/support, 600 use job search facilities. Project provides good value for money at £1,280 per job outcome.

Recommendation

Continuation of funding.

Implications

None.

5 Playscape

Funding

2003/04 - £54,600

Project Briefing

The project manufactures quality outdoor play equipment for schools and nurseries, and provides training in wood working and office skills. The project is well equipped and achieves outcomes. The main issue is attracting suitable trainees onto the project.

Recommendation

It is recommended to continue funding the project. However the project lends itself to an Intermediate Labour Market approach and funding is to be dependent on exploring alternative funding via Intermediate Labour Markets, and New Deal for Communities.

Implications

None - project is keen to look at new funding opportunities.

6 S.O.F.A.

Funding

2003/04 - £57,000

Project Briefing

Project recycles domestic furniture and white goods for families on benefit and low income. The project provides training and work experience for residents across the city. Management is keen to develop alternative delivery methods for training, including

developing city wide Intermediate Labour Markets recycling project. The project has strong links with Community Plan and Business Plan. It scored highest points on appraisal form.

Recommendation

The project continues to be funded at present level although it needs to develop new methods of delivery including Intermediate Labour Market – link with Playscape project.

Implications

None

7 Northfields Employment Development Initiative (N.E.D.I.)

Funding

2003/04 - £59,300

Project Briefing

Currently the project is operating from split sites (Victoria Road East and '@ur centre' on Uppingham Road) which is not conducive to service delivery. The project is struggling to meet targets that will not be achievable this year. They will move site in the interim period that will save some revenue costs. The manager of the project is willing to look at a percentage reduction in funding and consequently the outputs. The project will soon leave the current premises, which isn't Disability Discrimination Act accessible and move into '@ur centre'.

Recommendation

50% reduction in funding and outputs.

Implications

The project will continue from '@ur centre' - savings of £29,650.

8 Leicester and County Co operative Development Agency

Funding

2003/04 - £73,000

Project Briefing

L.C.C.D.A. provide training and ongoing support for individuals and groups wishing to set up co-operatives or social economy enterprises. The project undertakes a considerable amount of 'hand holding' for groups to ensure sustainability. It targets disadvantaged groups but also operates an open access policy for all Leicester groups and residents. The project therefore often supports residents not in a disadvantaged category. Project outputs are unclear and need clarifying for the next contracting round.

Recommendation

The project is the highest funded project supported by Economic Development representing 18% of 2003/04 budget. Furthermore the Economic Strategy Team (under the recent review) have created a Social Economy Development Officer whose role is 'to support the

development of social economy projects including community businesses and co operatives'. The project scored low on value for money element at £8.080 per job outcome. Leicester Shire Economic Partnership have also identified £80k funding for co-op and social economy development. The recommendation is that outputs are renegotiated and project funding is reduced to reflect these changes. New funding would be £30,000 – equates to approximately one post, providing a saving of £43,000

Implications

The project would experience budget problems and have to look at staffing reductions or project closure.

9 Employment Opportunities for Disabled

Funding

2003/04 - £2,200.

Project Briefing

Small project that places people with disabilities into employment. Minimal funding with excellent outcomes.

Recommendation

Continuation of funding.

Implications

None