

Executive Decision Report

Neighbourhood Services Grant Funding

Decision to be taken by: Assistant City Mayor –
Neighbourhood Services

Date decision to be taken: 29th January 2018

Lead director: John Leach



City Mayor

Useful information

- Ward(s) affected: Fosse, Beaumont Leys, Saffron, North Evington, Spinney Hills
- Report author: Lee Warner
- Author contact details: 373542
- Report version number: Final

1. Summary

- 1.1 Neighbourhood Services currently manages grant funding of £363k to seven organisations. This report regarding changes to grant funding and specifically the development of financial plans in consultation with each organisation to reduce reliance on council funding and work toward self-sustainability.
- 1.2 This report suggests a different approach to managing this funding within the context of reducing Council budgets and in order to seek to achieve greater flexibility and efficiency whilst encouraging the longer term self-sufficiency and sustainability of the funded organisations.

2. Recommendations

- 2.1 That the City Mayor and Executive consider the consultation work undertaken with the seven voluntary organisations and the grant reduction plans proposed for each.
- 2.2 That a reduction in the current budget of 30% / £109,000 is approved to be effective from April 2018 to contribute to the Transforming Neighbourhood Services programme, and that the Director of Finance be authorised to adjust budget ceilings accordingly.
- 2.3 That the Executive approve the principle of working with the seven organisations to become self-sustaining and to taper down grant funding from the council to £0 by no later than April 2021.

3. Supporting information including options considered:

Background

- 3.1 The grant funded agreements managed by Neighbourhood Services are with organisations that were funded following a corporate review of the Council's voluntary sector provision in 2004. The organisations currently funded are:
 - Beaumont Lodge Neighbourhood Association
 - Sikh Community Centre
 - St Peters Community Centre
 - Wesley Hall Community Centre

- Gorse Hill City Farm
- Saffron Lane Neighbourhood Council
- Woodgate Residents Association

- 3.2 A review of these agreements was carried out by Community Services in 2012. As a result each contract was extended on an annual basis. This annual approach has been taken so that future needs and demands for service can be considered in the context of priorities through the Transforming Neighbourhoods Services (TNS) programme.
- 3.3 Since the 2012 review, very significant reductions to the Council's funding from the Government have been implemented and are expected to continue, so the Council has to make consequential spending reductions. The future funding of the organisations in this report should be viewed in this difficult financial context.
- 3.4 The Transforming Neighbourhood Services review seeks to reduce costs of the services in scope by 30%. The grant funding contracts outlined in this report have been scoped in to this review.
- 3.5 A key consideration regarding these contracts is the overall financial cost for seven organisations and the issue of equity in Council support to grant funded organisations across the city.
- 3.6 As a result, the approach presented below seeks to determine through a robust and evidence based review of the seven organisations:
- Achievement of the anticipated 30% (£109k) savings earmarked under the TNS programme by March 2018.
 - Ensure that the Council treats these seven organisations fairly and on a similar footing to other grant funded organisations across the city.

Current Position

- 3.7 In March 2017 the City Mayor and Executive approved an approach to consult with the voluntary organisations as follows:
- a. Confirm extension of current contracts for up to one year (April 2017 – March 2018) of funding to existing levels for contracts due to expire on 31st March 2017 as set out in section 3.4.
 - b. To receive a further report following the development of a financial plan with each organisation, regarding the savings profile that could be achieved ensuring that:
 - i. Reductions of 30% are achieved by March 2018 as required to contribute to the Transforming Neighbourhood Services programme;
 - ii. Organisations taper down funding over three years from April 2018 to March 2021 in a sustainable way;

3.8 In September 2016 the Council's newly formed Service Analysis Team (SAT) commenced a detailed and evidence based review of the seven Neighbourhood Services grant funded contracts. The purpose of the review was to assess the efficiency and effectiveness of the seven organisations which have been funded by Community Services and latterly Neighbourhood Services over a number of years. In particular the request was to assess the their future potential to be self-sustainable in the light of expected reductions to the Council's budget, and how near to that they were in the current climate. Reports have been produced and shared with all seven organisations, and an opportunity to respond to the assessments has been provided. Final versions of the assessments were approved between May and July 2017, including any comments from the organisations.

3.9 Following a steer from the Executive in March 2017, Neighbourhood Services officers have consulted with all seven organisations over a 14 week period during June – September 2017. Officers have worked with each organisation to develop a financial plan regarding the savings profile that could be achieved ensuring that:

- Reductions of 30% of the grant funding budget are achieved by April 2018 as profiled within the Transforming Neighbourhood Services programme;
- An understanding is communicated regarding a further tapering of funding over three years from April 2018 to March 2021 to be delivered in a sustainable way;
- Independent support is offered to help the grant funded organisations to develop realistic plans for achieving self-sustainability

3.10 All seven organisations have considered plans to reduce funding in the region of 30% from April 2018 and will continue to work with the Council to further develop their financial plans to achieve a tapering of funding to zero by April 2021.

Outcome of consultation with organisations

3.11 Based on the discussions through early consultation with the organisations the financial plans have been submitted by all seven organisations. Consequently grant funding budgets agreed with the organisations are as follows:

	Current grant agreement	Grant agreement
	2017/18	2018/19
Beaumont Lodge Neighbourhood Association	9,500	4,024
Sikh Community Centre	58,100	24,242
St Peters Community Centre	19,100	13,300
Wesley Hall Community Centre	134,300	94,010

Gorse Hill City Farm	64,300	45,000
Saffron Lane Neighbourhood Council	69,400	48,580
Woodgate Residents Association	8,800	6,600
Total	363,500	235,386

3.12 After careful consideration of the findings from the review and through the consultation with each organisation it is clear that any immediate removal of all funding could significantly destabilise the organisations, and that a 'one size fits all' method for reviewing the funding would not be appropriate due to the differences between them.

3.13 It is also clear that the organisations are at various different stages in terms of financial stability and self-sustainability. This is further evidenced by the SAT reports.

Next steps

3.17 Subject to consideration and approval of the above recommendations in (2) the following communications plan is proposed:

		When
1.	Write to confirm grant funding for 2018/19 and in subsequent years where agreed based on the financial plan submitted by each organisation.	Jan-18
2.	Issue updated grant funding agreements.	Mar-18
3.	New funding agreements commence	April-18

5. Financial, legal and other implications

5.1 Financial implications

The proposed tapered grant reductions in this report will contribute savings to the TNS Spending Review, and thereafter will contribute to the management of the overall Neighbourhood Services budget and/or contribute to further savings targets.

Colin Sharpe, Head of Finance, ext. 37 4081

5.2 Legal implications

Not for Publication: Exempt information under Schedule 12A of Local Government 1972 -Information in respect of which a claim to legal professional privilege could be maintained in legal proceedings.

5.3 Climate Change and Carbon Reduction implications

If the organisations concerned continue to operate broadly the same types and levels of services by establishing sustainable funding models, there will be no climate change implications arising from the tapering of Council funding.

Duncan Bell, Senior Environmental Consultant. Ext. 37 2249

5.4 Equalities Implications

In accordance with section 149 of the Equality Act, the Council must “have due regard”, when making decisions, to the need to meet the following aims of our Public Sector Equality Duty:-

- (a) eliminate discrimination;
- (b) advance equality of opportunity between protected groups and others;
- (c) foster good relations between protected groups and others.

Protected groups under the public sector equality duty are characterised by age, disability, gender re-assignment, pregnancy/maternity, race, religion or belief, sex and sexual orientation.

When making decisions, the Council must be clear about any equalities implications of the course of action proposed. In doing so, it must consider the likely impact on those likely to be affected by the recommendation; their protected characteristics; and (where negative impacts are anticipated) mitigating actions that can be taken to reduce or remove that negative impact.

All seven voluntary groups currently provide services to residents, stakeholders and community groups. These users will be people from across all protected characteristics, with some services being specifically targeted at those with specific protected characteristics e.g. older people, women or children. Those most likely to be affected by the proposal are the grant funded organisations and residents who access activities, services or room space which are provided by those grant funded organisations. There could also be a wider community impact, in the event that the grant funded organisations were unable to continue to deliver the activities and services as they currently do.

Our Public Sector Equality Duty is a continuous duty, and consideration as to potential equalities impacts should be considered throughout the process of developing a proposal and reaching a decision. Officers have worked with each organisation to develop a financial plan regarding the savings profile that could be achieved. Provided the organisations are able to continue to deliver provision as they currently are, there are likely to be minimal equalities impacts. By assessing the sustainability of the organisations, working alongside them to develop their sustainability and making a proposal to taper the approach to the reduction in grant funding, the risk has been lessened. A gradual tapering period would allow the flexibility to be able to identify any equalities issues that arise and to respond and mitigate where required. It would allow

us to more effectively accommodate for and respond to any unexpected potential impacts. In the event that the proposal is agreed, over the next three years, it will be important to identify ways in which we can monitor the actual impact; this might be addressed within the individual grant agreement with each organisation. Consideration should also be paid to the potential equalities risks of the loss of an activity or service, where there is not a guarantee that it will continue, for example, music tuition which is reliant upon winning a bid for funding elsewhere.

An equalities impact assessment has been conducted and iterations of this should continue to be active throughout the process; this explores the equality impacts of the proposal in more detail. Consultation that has taken place with key stakeholders should also be used to help to inform the impact assessment. The Equality Impact Assessment process should continue to be used as a tool to aid consideration around whether we are meeting the aims of the Public Sector Equality Duty, as detailed above, and to further inform the development of proposals and any potential mitigating actions. Further work should also be undertaken to consider whether there are any potential equalities implications beyond the proposed three year tapering period, in the event that the organisations do become self-sufficient and there are no longer grant agreements in place, as we will not have the same degree of control over monitoring and ensuring that the services and activities are accessible and responsive to the needs of people from across all protected characteristics.

Surinder Singh Equalities Officer, ext. 374148

6. Background information and other papers:

Equalities Impact assessment

7. Summary of appendices:

Annex 1 – Equalities Impact assessment

8. Is this a private report (If so, please indicated the reasons and state why it is not in the public interest to be dealt with publicly)?

No

9. Is this a key decision?

No