

## Appendix B

### LB Lewisham Main Grants Consultation July 2014 - October 2014

Feedback and comments from individual consultation responses and opinions obtained at a range of consultation meetings have been grouped against consultation questions. Full copies of individual organisation's responses are provided at the end of the document.

#### **Summary of comments received during the consultation and responses**

**Question A – The Council wishes to retain its commitment to grant aid for the voluntary and community sector. Our rationale for this is laid out in the full consultation document (paragraph 8). Do you agree that grant aid is important? Is there anything missing from the rationale?**

#### **Comments**

There was widespread acceptance that grant aid provided a vital component of an effective third sector, including the following points:

Grants cover salaries and, without that, it would not be possible to apply to 99% of charitable trusts;

Flexibility is key. Grants for core costs allow organisations to be flexible;

Grants are important for creative partnerships and enabling collaboration.

The commissioning model is inflexible and leaves organisations without the capacity to apply for extra funding. The 3 year security is important;

We should thank the council for what they have done so far to allow us to bring more money in.

One respondent suggested an addition to the rationale to further highlight the resources that the VCS bring into Lewisham.

A number of respondents mentioned the need for funding to enable the proper recruitment and management of volunteers which in turn provides an additional resource to the borough.

#### **Council Response**

**The overall endorsement of retaining a grant aid programme is noted and the important role grant aid plays in strengthening and resourcing the local third sector. and its ability to address community need.**

**The Council recognises that grant aid in the past has provided opportunities for organisations to lever in funding from other sources. It will continue to work with organisations exploring alternative funding sources.**

**Question B - The Council needs to save £95m over the next four years. This equates to approximately 30% of the controllable budget. The Council has been able to protect the Main Grants budget during previous savings rounds but the scale of reductions still to be found means that it is unlikely that the grants budget can continue to be protected. A saving of 25% is proposed. Do you feel that this is fair proportionate? Please give reasons**

### **Comments**

A wide range of comments regarding the proposed 25% reduction in the Main Grants budget were made. These included comments on the following areas:

There were a number of comments that felt the main grants programme funds organisations that primarily work with the borough's most vulnerable residents and that any reduction to the budget would have a negative impact on these service users.

One respondent queried whether the consultation was genuine and felt that a decision had already been made regarding future grants. This respondent also felt that there was a move to pit third sector organisations against each other. A further respondent expressed concern that the changes were aimed at squeezing out smaller organisations and allowing the private sector to move in to fill the gaps.

There was a further query concerning the purpose of the consultation, in which the point was made that, as well as seeking innovation and new ways of doing things, the Council should also acknowledge a need to continue doing work that was going well.

There was a request that organisations funded by other Council departments be informed of the proposed changes.

Points were made in relation to the need for further collaboration between the Council and third sector organisations to achieve an effective approach to necessary cuts. Ideas included giving the third sector the opportunity to work with decision makers to advocate for an approach which would ensure the quality of provision and Council-run workshops to support organisations through the consultation process and workshops with organisations that have already experienced cuts.

A number of respondents pointed out that with the cuts already made to public services and more that are proposed, more service users are being directed to voluntary sector services. This means that the proposed 25% reduction will have a greater impact on these users.

Points were made in relation to reducing the grant aid budget would also proportionately reduce the amount of resources the VCS bring into the borough both in cash and in kind.

Questions on whether the Council had truly identified all other areas in which cuts could be made. Respondents confirmed that they had identified some wastage around Council publicity and communication materials.

A view that the cuts were much too deep and would have a negative impact on vulnerable people was expressed, but countered by a further comment that the 25% saving was a sensible approach and suggestions that organisations could potentially make further savings through sharing back office functions. In general, the consensus was that the third sector was providing a vital service and must be adequately resourced, particularly in a time of austerity, when service user numbers were increasing. It could not be expected to do "more for less".

A number of respondents stated that organisations needed time to adjust to a reduction of 25% in budgets. It was also stated that some organisations are already subsidising other organisations that have suffered cuts to budgets, for example by sharing staff time. It was felt that those organisations would not be able to sustain a cut to their grant aid.

There was a concern about smaller, specialist organisations not being able to survive cuts without an impact on minority groups.

The potential for European Funding was raised as an option, with potential for match from the Big Lottery.

A request was made that the Council should desist from consideration of funding bigger organisations to help fund smaller organisations on the basis that this has not worked in the past.

Another respondent called for more support to be provided to help organisations diversify their funding base and innovate.

A number of specific questions were raised, including:

Do organisations need to build the 25% reduction into proposals?

Is it true that Councillors have previously stated that they would rather "cut whole projects than nibble away at some"?

Can the Council give anything back to the sector in kind, e.g. use of Council buildings at peppercorn rents, and can the Council please provide further information on the "Disposal of Assets " programme?

### **Council Response**

**The Council values and appreciates the quality of the work being undertaken by a range of voluntary and community sector organisations and recognises that there are many examples of good practice within the borough that should be built on through the new grant aid programme.**

**The programme will be open to organisations of any size to apply.**

**The council recognises that main grants may not be suitable for all organisations and has therefore continued its commitment to a small grants programme.**

**The Council is undertaking a comprehensive budget consultation exercise through the Big Budget Challenge. This exercise covers all aspects of the Council's budget and includes discussion on possible savings and revenue generation. The proposed reduction to the grant aid budget is one of many savings proposals being considered by the council in order to meet the £85m savings target.**

**The council recognises the impact that changes to grant aid can have on individual organisations which is why consultation on the change commenced in July 2014 11 months in advance of the final implementation date of June 2015 when the new grants will commence.**

**The Council provides support for the Voluntary and Community Sector through access to council owned assets. The council recognises being able to access property at affordable rates is very important to the continued success of VCS organisations. This needs to be balanced with the need to fully optimise assets and**

**ensure an open and transparent allocation of resources. It is proposed to develop clear criteria for the allocation of any subsidised space.**

**Question C - If the proposed saving to the grants budget is agreed which of the following approaches to implementing the reduction do you feel would provide the best outcomes for Lewisham's residents?**

- i) Spreading the funding across more organisations with each getting less  
OR  
ii) Funding fewer organisations better.**

### **Comments**

The overall response was that if a 25% reduction had to be achieved it would be more effective to fund fewer organisations better. Only one respondent suggested reducing equally across the board.

Many organisations were concerned about the impact a 25% reduction would have on their ability to continue to operate and deliver services. One organisation stated that, with a 25% reduction, it would have to make one of its senior staff redundant. The same organisation stated that it would support initiatives based on funding fewer organisations rather than spreading resources too thinly, and that track record and quality of service should be determining factors in funding award. The organisation further stated that a proposed reduction in grants would have an adverse impact on vulnerable and marginalised groups.

Several points were made about ensuring resources were targeted at those most in need.

It was felt that some organisations particularly larger ones would be better equipped to manage a significant reduction and that thought would need to be given to the impact on each organisation's overall viability.

A number of respondents felt it would be important to take into account an organisation's track record in deciding level of funding.

One respondent felt that there was a risk of penalising organisations that had previously successfully managed their finances and that were therefore more able to deal with the impact of a reduction.

There was a request that a short paper on lessons learnt from the current Grants programme be produced by VAL or the Council.

It was suggested that the third sector should consider partnerships with the private sector and become involved in mixed funding.

One respondent stated that organisations should be rewarded by actual achievements and that there should be scope to increase payments based on results.

Would monitoring arrangements remain the same under the new funding regime and would organisations be required to continue to quantify output and targets as per the current traffic light system?

A number of questions regarding collaboration were raised, as follows:

In a collaboration, who would be responsible for providing monitoring information?

What are the requirements in relation to reserves?

There were a number of points made regarding the need for clarification of the commitment involved in becoming an "active partner".

### **Council Response**

**The Council is acutely aware of the potential impact of the cuts and will work to minimise this where possible. One of the purposes of the partnership approach is to reduce organisations' overheads, thus enabling maximum resources to be focused on service delivery.**

**The Council welcomes suggestions which will enable the voluntary and community sector to access a wider range of funds.**

**The Council believes that its approach to partnership working will enable organisations to maximise their achievements in a targeted way. Payment by results is not appropriate to the grants programme.**

**The Council is reviewing the existing monitoring arrangements and any new system will need to fully reflect the new partnership framework. It will be important to measure the impact that organisations are making alongside the activities they are undertaking.**

**The Council will always seek to identify a lead organisation in any collaboration, and responsibility for providing monitoring reports would sit with this lead organisation.**

**The Council works with organisations to ensure that their reserves are at sufficient levels to meet their legal and other commitments.**

**The council wishes to ensure that it funds financially sustainable organisations and it is therefore not proposed to automatically apply a 25% reduction across the board but to look at each application on its own merits. Organisations' proposals will be assessed on their quality, commitment to core values and value for money using the published criteria.**

<p><b>Question D - Do you feel the areas covered in the partners profile in Appendix A are the right ones? What's missing? What would you do differently?</b></p>
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### **Comments**

A number of points were made in relation to the suggestion of increased partnership working. These included:

Some organisations stated that they already worked collaboratively and did not see the need for this new emphasis, with a further view expressed that partnerships were not the automatic solution and the work required to maintain them often used up scarce time and resources.

There was a view that smaller organisations might be disadvantaged in the search for partners because of a lack of time and resources for partnership working. This was countered by a view that smaller organisations might be encouraged to form appropriate consortia.

Ideas to encourage partnership collaboration were mooted, including organisational "speed dating" and "fair trade" meetings where resources could be bartered, swapped and shared. Some organisations in receipt of Investment Funding stated that their projects had enabled them to work more collaboratively with partner organisations on a range of issues including referrals, sharing resources and project planning. The question was raised as to whether VAL can play a larger role in supporting the sector through the application process so that smaller, under resourced organisations are not disadvantaged by potentially inadequate funding applications.

It was suggested that the timescale for forming partnerships for the new round of funding was tight.

In relation to the partnership profile, one organisation stated that resources should be judged over three years rather than just on the previous financial year.

Organisations raised the point that information about 'Quality', 'Best Practice', 'Track Record', 'Local Sector Intelligence' and 'commitment to the borough' and how these will be judged is missing.

The importance of consistency of staff undertaking monitoring roles was emphasised.

Finally, in relation to premises, a request was made for the Council to provide an overview of organisations and the premises they occupy so that there is transparency about what potential partner organisations have to offer each other in terms of space. A concern was also flagged up about the need to define organisational responsibilities when sharing buildings.

### **Council Response**

**The Council respects the right of independent organisations to choose the way in which they work. However, the Council is committed to a partnership approach to its work which will not be prescriptive but will require organisations to collaborate with others delivering similar services and to plan the services for which they seek Council support in close partnership with the Council. The Council will seek to work in partnership with VAL to assist collaborative working arrangements and other partnership building.**

**The Council respects the fact that timescales are tight. However, it encourages organisations to start the partnership building process as early as possible and it is anticipated that partnerships will continue to be strengthened over the course of the three year funding.**

**A three stage assessment process will be used with an initial officer assessment of how well an application meets the partner profile. These assessments will be quality assured by a manager leading on each of the four themes. The manager as well as ensuring consistency across assessments will prepare recommendations that provide for a spread of resources across the different aspects of their theme. These recommendations will then be taken to a senior officer panel which will provide a challenge function and again check for consistency and quality of assessment. In assessing applications, the sustainability of organisations will be looked at. The application form allows organisations to demonstrate their financial sustainability.**

**The Council accepts that the need for quality and track record was too implicit in the draft criteria and has made some changes to address this.**

**The Council recognises that sharing premises can be a challenging prospect and will be looking to the borough infrastructure strand to provide support to the sector alongside other ways of supporting transformation.**

**Question E - Do you feel the priority themes are the right ones? What's missing? What would you do differently?**

### **General Comments**

Most comments recognised that the themes covered the important areas of activity. However, some comments were made regarding the absence of children and young people, education, employment and skills and poverty and deprivation.

There was also a view that the reasons behind the identification of a theme and expectations in relation to addressing it should be made clearer. Some organisations expressed a concern that it was currently difficult to establish which theme applied to them and that sometimes themes appeared to overlap. Queries were also raised about potential collaboration difficulties where proposed partners had the potential to apply under different themes.

### **Council Response**

**In establishing the priority themes for the grants programme the council considered:**

- **The level of current and emerging need locally**
- **The contribution the third sector can make to meeting the priority**
- **The availability of other sources of funding locally**

**In relation to employment and skills, the level of funding from the existing main grants programme has been minimal in comparison to other funders. It is felt that this work is better funded through locally held Job Centre Plus budgets.**

**In relation to children and young people although there is not a dedicated theme there are opportunities to apply for funding to support work with children and young people across other strands. However, the grants programme will not fund activity that should be funded through schools budgets. In relation to youth activity the focus within the main grants programme is on cultural provision through Theme 4 as it is felt that the Youth Service through both its direct and commissioned services provides for generic youth work. The importance of very grass roots responses to youth activity is recognised through the inclusion of youth activity within the Neighbourhood Community Development Strand.**

## **Theme 1 - Strong and Cohesive Communities**

### **1a Borough-wide Infrastructure - Comments**

One organisation asked whether Lewisham would prefer a consortium approach (all equalities organisations officially come in under one proposal) or individual proposals with one proposer and a co-ordination function. They stated that they recognise the advantages of the second option as this would enable the organisation to operate a separate co-ordinating function and it would maintain contractual independence.

A number of comments were made in general discussions about how the council and VCS make better use of assets and the role borough-wide infrastructure organisations might play in this.

Discussion took place at the Neighbourhood Community Development Strand consultation event about the need for the borough wide infrastructure organisations to work effectively with the neighbourhoods.

### **Council Response**

**The Council recognises the advantages of a co-ordinated approach to equalities and believes that a co-ordinating role could increase the availability of equalities-based support across the borough. The theme criteria have been amended to reflect this.**

**The Council recognises the need to ensure the best use of premises and the culture change that is required to achieve this. It agrees that there could be a role for an infrastructure organisation in delivering this change and has amended the criteria to reflect this.**

**The Council recognises that the Borough wide organisations will need to work with the neighbourhoods and the criteria has been amended to reflect this.**

### **1b Neighbourhood Community Development - Comments**

A very productive discussion took place at the specific consultation event to discuss this strand. Organisations and individuals attending broadly endorsed the approach. The discussion focussed mainly on how to best deliver the aspirations within the sub-theme building on and working within existing structures such as the Local Assemblies and the Community Connections health neighbourhoods.

There was a call for further clarification of this sub-theme, including definitions of "designated ward" and "neighbourhood", i.e. can it extend into more than one ward?

Comments made included the following:

Neighbourhood plans should include a survey of residents.

Partners should undertake a mapping exercise to avoid duplication of assets.

Objectives could include increasing the number of residents attending Assembly meetings and other events.

Important to ensure support from borough wide organisations particularly around volunteering.

Local Assemblies already provide the basis for this work and will be essential to work closely with them.

Some concern expressed about the level of available funding and the amount of impact you could make with this.

Specific questions included:

Will there be more than one opportunity for neighbourhood funding per ward?

Has the Council considered quadrants as a way forward for neighbourhood funding?



### **Council Response**

**A neighbourhood is defined as a ward. It is possible for organisations to apply under this strand to work across more than one ward.**

**The council welcomes the feedback on how the neighbourhood development strand might work in practice and recognises the need for a variety of approaches to meet local circumstances.**

**The council believes that building on and working with the health neighbourhoods would be productive and has amended the criteria to reflect this.**

**The council recognises the need for borough wide infrastructure organisations to work with the neighbourhoods and amended the criteria to reflect this.**

### **Theme 2 - Communities that Care - Comments**

Overall the Communities that Care theme criteria were well received. Organisations endorsed the need for funding to support the most vulnerable.

Organisations recognise the challenge that Health and Social Care integration brings and are keen to work with statutory partners in delivering integration.

Organisations stressed the importance of funding preventative services to stop users needing to access more expensive statutory provision.

Some comments were received about how carers fitted into this strand and the impact that changes through the Care Act would have.

Attention was also drawn to the significant changes that would be taking place as a result of the Children's and Families Act 2014 and the impact this would have on organisations providing support to families with disabled children.

A comment was made about where safeguarding training and support for VCS was included.

Some specific feedback was received on the transport strand

- General agreement that the description around this theme, represents the correct approach.
- Recognition that use of resources should be more focussed and needs to be maximised to increase capacity.
- Services should include:
  - Independent travel training
  - Prioritisation of clients to serve people who cannot access other forms of transport

### **Council Response**

**Funding for carers services is currently provided for through joint commissioning funds. The joint commissioning team will continue to work with providers on how the new requirements under the Care Act will impact on any commissioned services.**

**Provision for work with young carers is made within the Communities that Care Strand as this is currently only funded through main grants. The Council will continue to work with VCS organisations on understanding the impact of the Children's and Families Act 2014.**

### **Theme 3 - Access to Advice Services - Comments**

The advice sector stressed the importance of main grant funding to enabling them to continue to provide advice to Lewisham's most vulnerable residents. They made the case that their work brings additional revenues to individual residents but also to the council through ensuring people are claiming the benefits they are entitled to and that the levels of deprivation in the borough are therefore correctly reflected within central government allocations.

The need for both large organisations able to provide the full range of advice services and smaller specialist organisations was stressed.

The sector highlighted the work that they had already done to increase efficiency and collaborate including the £300k Big Lottery funded project led by Advice Lewisham. The point was made that it was not clear in the criteria whether the council wanted to continue to fund the kind of coordinating role that Advice Lewisham had performed.

The CAB expressed concern about the loss of other funding such as the Public Health support for advice work within GP surgeries. They also highlighted the cuts to Legal Aid and the continued changes to the benefits system that were putting additional strain on the advice sector.

The Advice Sector made a combined request via Advice Lewisham that funding reduction within the advice theme be no greater than 10% to reflect the critical nature of their services and the high levels of demand.

There was a request to consider including financial inclusion and digital inclusion within the criteria.

### **Council Response**

**The Council recognises the invaluable work that the advice sector does in supporting the borough's most vulnerable residents and notes the pressure on resources.**

**The Council feels that the new duty within the Care Act to provide access to advice and information will give the opportunity for a more comprehensive joined up approach to providing low level self service advice and information and that the priority for main grants will be for the higher level and specialist advice work.**

**The Council welcomes comments regarding the need for advice organisations to work closely together and believes that work being undertaken by Advice Lewisham can be broadened to facilitate a more consistent offer of services across the borough whilst retaining the specialist function currently undertaken by a range of organisations. The criteria have been amended to reflect the continued need for a coordinating function.**

### **Theme 4 - Widening Access to Arts and Sports - comments**

Organisations welcomed a specific theme for Arts and Sports.

Organisations sought to emphasise the fact that they work with small numbers of vulnerable young people in an intensive way. They were concerned that their work with relatively lower numbers might disadvantage them should funding focus on high volumes. These organisations also highlighted the need to increase and develop opportunities for engagement.

Clarification was sought on the requirement that schools should meet certain needs through their own resources. The Council was also asked to note that some schools are dropping some Art opportunities out of the curriculum.

Concern that some aspects of the criteria might be hard to measure.

One organisation stated that, given their work with schools, they felt that future funding was being denied to them.

The Council was asked to take account of the Children's Cultural Curriculum that was being developed at the Southbank Centre.

Clarification was sought as to whether it was acceptable to apply for funding where an organisation was extending the curriculum rather than delivering the curriculum?

General enthusiasm that sport has been included in the main grants programme

Lots of discussion about how clubs could collaborate to develop a more strategic approach to increasing access to their sport.

Discussion about the involvement of national governing bodies and how partnerships with them could enhance applications

Discussion about the fact that sports organisations could apply under other themes too – particularly Communities that Care

Concern raised about difficulties for volunteer led organisations in completing section D of the application form for each theme

Question about how much money will be available within this theme

General agreement that the theme description provides a helpful approach

### **Council Response**

**The Council welcomes feedback from a number of organisations on the benefits of collaboration and their welcoming of this theme as a possible way to address the specific needs of Sports and the Arts.**

**Question F - We are undertaking an equalities assessment of the proposed changes. Do you feel that the proposed changes would have a negative or positive impact on Lewisham residents on the basis of their race, gender, faith/religious belief, disability, age, sexual orientation, gender assignment or marital status? Please provide comments on the impact you feel the proposed changes could have, which groups you feel may be affected and any action you feel we could take to mitigate any potentially negative impact.**

### **Comments**

A number of organisations feared that overall the cuts would bring about a negative impact on all Lewisham residents who relied on services delivered by the third sector, in particular BME residents, women and people with disabilities as these groups were often served by the smaller, more specialist organisations who were likely to suffer more from the cuts.

One organisation stated that the needs of ethnic minorities and disadvantaged groups should be safeguarded due to the vulnerability of many groups, including the Council's legal obligation to continue to fund groups that are deemed to be protected under the 2010 equalities legislation.

Two representations were received about the importance of culturally specific services i.e. Refuge Vietnamese Outreach Project and the Indo Chinese Community Association.

### **Council Response**

**All organisations will be asked to demonstrate their commitment to equalities as part of their applications as well as providing information about the proposed impact of their work on different equalities strands.**

**The Council recognises that within reduced resources and with an increasingly diverse community it will be extremely hard to fund dedicated services for all the different communities within the borough. It will be important for the Council to demonstrate fairness in the allocation of resources not favouring any one specific community. The Council however recognises that many people face disadvantage and have difficulty accessing services and will continue to seek to fund organisations that can work with a range of disadvantaged communities to address this.**

**The Council is aware of its obligations under the 2010 equalities act and will be working within this legislation. The Council will undertake an Equalities Analysis Assessment of the grant recommendations.**

### **Additional General Comments**

Additional areas raised during consultation discussions are as follows:

There was a concern raised regarding reliance on volunteers to deliver services where these might replace paid jobs.

Organisations also emphasised that, although volunteering is essentially unpaid work, there is no such thing as a 'free volunteer' as they need to be trained, managed, supervised and some will have expenses paid.

There was further concern regarding the pool of volunteers getting smaller as more and more organisations relied on them. The sharing of a pool of volunteers, like a 'volunteer bank' was mooted.

Concern was expressed that there would be potential gaps for match funding due to not having the results of funding until April '15 as other funders might need to know before that point.

Statistics (used for evidence) can vary, i.e. GLA and national census. Please can the Council look at this and provide guidance.

A request was made to include statutory organisations and commercial providers in future discussions, e.g. health or CCG.

Please can we have further information on how applications will be assessed and please can the Council ensure a transparent scoring system?

**Council Response**

**The range of other comments from various organisations is welcome and the Council notes the points regarding the relative shortness of the timescale but will work with organisations to ensure that strong bids are submitted through organising information events. Workshops on completion of applications and clarification of themes will take place.**