

MAYOR AND CABINET (CONTRACTS)			
<b>Report Title</b>	Support for the Voluntary Sector		
<b>Key Decision</b>	Yes	Item No.	
<b>Ward</b>	All		
<b>Contributors</b>	Executive Director for Community Services		
<b>Class</b>	Part 1	Date:	12 November 2014

## 1. Purpose of Report

- 1.1 The purpose of this report is to seek approval for the criteria and application process for the Council's voluntary and community sector main grants programme 2015/16 to 2017/18.

## 2. Recommendations

Mayor and Cabinet Contracts is recommended to:

- 2.1 Note the consultation process and the outcome of that consultation as set out in section 7 and in Appendix B.
- 2.2 Approve the Main Grants Criteria that organisations will be asked to address and be assessed against as set out in Appendix A.
- 2.3 Note the proposed approach to community assets as set out in section 9 and agree for officers to consult on this approach with the voluntary and community sector.
- 2.4 Approve the proposal to extend the current main grants programme until 30<sup>th</sup> June 2015 subject to performance and agreement on outcomes and outputs. Decisions on grant extensions for individual organisations to be delegated to the Executive Director Community Services.

## 3. Policy Context

- 3.1 Lewisham has a long history of working with the third sector and empowering residents and communities. The Sustainable Community Strategy sets out the Local Strategic Partnership's commitment to creating a borough that is:

**Empowered and Responsible:** where people are actively involved in their local area and contribute to supportive communities.

- 3.2 This is reflected in Lewisham's Corporate Priorities:

**Community Leadership and empowerment:** developing opportunities for the active participation and engagement of people in the life of the community.

- 3.3 Lewisham is fortunate to have a diverse third sector which ranges from very small organisations with no paid staff through to local branches of national charities. As well as being directly involved in delivering services to citizens in the borough, third sector organisations also provide the essential infrastructure to allow the sector as a whole to develop and support individual citizens to be able to play an active role within their local communities.
- 3.4 Although the third sectors role within the commissioning of local public services has grown, the council recognises that there continues to be a need for grant aid investment for the following reasons:
1. A recognition of the importance of maintaining an independent sector that can act as a critical friend to challenge public sector policy and delivery.
  2. A recognition of the key role that the sector plays in building civic participation, providing a voice for seldom heard residents and providing community intelligence.
  3. A recognition of the great diversity of the sector and the need to engage with small and emerging groups as well as large established organisations.
  4. A recognition of the sector's potential to take risks and innovate which does not sit easily within commissioning frameworks.
  5. A recognition that third sector organisations have been key delivery partners within Lewisham, including for a wide range of targeted short term initiatives. Grant aid provides a level of security for organisations ensuring that there is a strong sector able to address local need, attract additional resources and be ready to work in partnership with us.
  6. A recognition of the sector's ability to utilise resources that are not available to the statutory sector through external funding and volunteers. Every £1 of grant aid invested yields approximately £4 from other sources.

#### **4. Background**

- 4.1 The current main grants programme was agreed by Mayor and Cabinet Contracts in July 2011. Funding was awarded for two and a half years from October 2011 to the end of March 2014 to 73 organisations. Funding was provided over four themes; Children and Young People, Building Social Capital, Gateway Services and Communities that Care. An extension to the programme for a further year was agreed in December 2013 taking the current funding to 31 March 2015.
- 4.2 In addition to the £5.9 million grants budget, Lewisham Council has contracts to a value of over £20 million with voluntary and community sector organisations to provide a wide range of services. These include youth activities, children's centres, supported housing and public health initiatives. The types of organisations that Lewisham is contracting with ranges from large national charities to small local community based organisations.
- 4.3 In light of the intense pressure on our shared resources it is intended to take a more active collaborative approach with grant funding. The intention is to fund a group of organisations that are committed to working with each other and the council to ensure the best possible outcomes for Lewisham's residents with our shared resources. The intention is to take a dynamic approach to grant aid that allows for flexibility over the period of funding to ensure that funded organisations can work with the Council to respond together to changing needs and priorities, working together to design

services. The main grants programme is designed not just to fund organisations but to enlist active partners who are passionate about Lewisham and have the drive and capacity to make a difference to people's lives.

4.4 In assessing applications to the grants programme, organisation's readiness to work with the Council as active partners and what they can bring to such a partnership will be considered using the following categories:

- Local Intelligence; the level of understanding of local need.
- Transformation; the ability to transform ways of working to better meet needs.
- Collaboration; track record of working in partnership.
- Resources; track record of attracting resources both financial and volunteer time.
- Shared Values; commitment to London Living Wage, Equality, Environmental Sustainability

## **5 Proposed New Funding Programme**

5.1 In establishing the priority themes for the grants programme we have 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

5.2 There are four proposed themes and full details of each theme criteria are included in Appendix A.

- **Strong and Cohesive Communities** – this theme seeks to develop and maintain strong communities and build a more inclusive and cohesive borough. It is divided into two strands, one to support Borough-wide provision and the other to fund a network of neighbourhood community development projects. With the reduction in statutory resources, residents and communities are being asked to do more for themselves. This theme seeks to ensure that there is an infrastructure across the borough that can encourage and capitalise on active citizenship, supporting grass roots activity. The theme will also fund services that provide equalities support to ensure equal access to services.
- **Communities that Care** – the overall intention of this theme is to fund a range of organisations that together provide support to vulnerable adults to assist them in accessing services, prevent their needs from escalating, reduce the burden on statutory services and provide links between statutory services, VCS and communities in relation to working together to support vulnerable adults. The activities funded through this theme form an important part of the borough's preventative strategy.
- **Access to Advice Services** – the advice sector provides an essential service to some of the borough's most vulnerable residents. Advice organisations provide independent, high quality advice to individuals to ensure that they receive the benefits they are entitled to, are supported to manage debts, address financial exclusion and deal with housing issues.

Statutory services work closely with the advice sector as addressing these issues are of mutual benefit.

- Widening Access to Arts and Sports – this theme seeks to ensure that the rich and diverse contribution that the borough's Arts and Sports organisations make to the quality of life of residents is maintained. The Arts and Sports sectors are adept at attracting resources from external funding, earned income and volunteers. However, the sectors still require a level of core funding to enable them to continue to attract these resources that would otherwise be lost to the borough. The focus of our support will be on increasing participation particularly by those who are less able to participate due to disability, economic disadvantage and age.

5.3 There are two areas of activity where the Council is undertaking reviews that may impact on the need for continued grant aid. These are the provision of adventure playgrounds, and counselling and psychological therapy services to adults with mental health needs. For this reason it is proposed to remove the funding for Somerville Adventure Playground and The Cassel Centre from the main grants programme but retain it to be reviewed in line with the service area reviews over the course of 2015/16. The impact for these two organisations will be that they will be asked to submit grant applications to continue their existing programmes up to a maximum of their current grant level for 2015/16.

## **6. Consultation Process**

6.1 Following agreement by Mayor and Cabinet to consult on the revised framework for the Main Grants programme, a comprehensive range of consultation events have been undertaken. In line with the Council's Compact with the voluntary and community sector, a three month consultation period was agreed. Consultation took the form of two formal information-sharing meetings with voluntary and community sector organisations. These meetings took place in July and September and were led by the Cabinet Member for the Third Sector and the Executive Director for Community Services. 120 individuals attended the two meetings in total, consisting of voluntary sector organisation senior officers and trustees.

6.2 In addition to the two general meetings, specific themes within the Main Grants programme were discussed with organisations in the following areas:

- the advice sector
- Communities that Care
- transport
- organisations undertaking investment funded projects, focusing on the integration of community-based social care support
- organisations expressing an interest in contributing to the Neighbourhood Community Development Strand
- sports organisations
- arts organisations

- 6.3 In total there were 173 attendees at consultation meetings organised by the Council and a further 60 individuals were involved in the consultation at meetings organised by the VCS and attended by council officers. Officers also met with a number of organisations individually during the consultation. In addition to these discussions, two articles on the consultation were included within Voluntary Action Lewisham's magazine, Grapevine. The consultation was also available on the Council's online consultation portal.
- 6.4 Feedback from the 233 attendees at the consultation meetings and 21 individual written responses are included in Appendix B.
- 6.5 The consultation response was reported to Safer Stronger Select Committee on 3<sup>rd</sup> November. The committee expressed concern about the lack of grass roots LGBT activity in Lewisham and requested that the criteria be amended to encourage better engagement with Lewisham residents by strategic equalities organisations. The proposed grants criteria in Appendix A have been amended to reflect this.

## **7. Consultation Outcome**

- 7.1 A summary of the overall outcome of the consultation is provided below. Further details of feedback received are included at Appendix B.
- 7.2 The key elements of the feedback include:
- a general welcoming of Lewisham Council's continued commitment to investing in the voluntary and community sector through grant funding;
  - a welcoming of the opportunity to comment on the proposed revised framework for Main Grants;
  - acknowledgement that the proposed partnership framework provided a means to achieve effective delivery of services to residents;
  - a welcoming of the opportunity to highlight the strengths and achievements of individual organisations and their approach to service delivery.
- 7.3 There were a number of reservations expressed, including:
- A concern about the impact of the proposed £1.5m reduction to the budget on the viability of organisations and services to vulnerable and excluded residents, particularly BME communities.
  - A concern about the time required to build effective partnerships.
  - Concern about there not being a dedicated children and young people theme.
  - Queries about how the Council can use its assets to support the VCS.
- 7.4 A number of comments were made that have led to proposed changes to the criteria including:
- A recognition of the need for a coordination function for equalities work across different protected characteristics.
  - More emphasis on quality and the track record of organisations within the criteria.
  - A recognition of the need for support from borough wide infrastructure organisations around new ways of using and sharing premises.

The amended criteria is included at Appendix A.

- 7.5 Given the level of concern raised about the proposed reduction to the grant aid budget, it is intended to undertake a further 3 weeks consultation to provide additional information to Mayor and Cabinet. The additional consultation will focus specifically on the level of main grants budget. The consultation on the grants criteria is now closed and the proposed amended criteria are attached at Appendix A.

## **8. Main Grants Programme Implementation**

- 8.1 Subject to approval by Mayor and Cabinet it is intended to open to applications on 26<sup>th</sup> November 2014. Application surgeries will be offered and the deadline for applications will be 4 February 2015. Grants will be assessed and draft recommendations provided to organisations by 30<sup>th</sup> March 2015. The draft recommendation will act as notice of a proposed change to the organisation's grant. The Lewisham Compact requires 3 months notice of a change to grant aid and it is therefore intended to extend the current grants for 3 months to 30<sup>th</sup> June 2015. This will be subject to performance and agreement of appropriate outcomes and outputs for the extended period. It is proposed that decisions on individual grant extensions be delegated to the Executive Director of Community Services.
- 8.2 The officer recommendations for the new grants programme will be brought to Mayor and Cabinet Contracts in April 2015 along with details of any appeals made by organisations. The new grants will commence from 1<sup>st</sup> July 2015.

## **9. Community Assets Support**

- 9.1 The Council provides support for the Voluntary and Community Sector through access to council owned assets. In order to release substantial revenue savings and therefore safeguard frontline service delivery, the Council is in the process of rationalising its public buildings. This work has already commenced with the consolidation of staff working in the Catford complex into Laurence House and the closure of the Town Hall. 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.
- 9.2 There are currently 41 council assets within the community premises portfolio including 23 community centres, 3 sports grounds and 15 buildings housing VCS organisations. In addition there are other properties that are used as community libraries and early years centres as well as a range of other services commissioned from VCS organisations.
- 9.3 It is proposed to adopt a set of four categories that will inform the allocation of space within a reduced number of council assets to VCS organisations in the future.
- 1) Sole occupancy of a building (not at full market rate) – in order for an organisation to have sole occupancy of a building it would need to demonstrate a need for specialist facilities as well as delivering services that meet our priorities.

- 2) VCS hub – shared building with all inclusive affordable rents. This will be the preferred category for organisations that are providing services that meet our priorities. The hubs will mainly provide office and meeting space rather than activity space which would need to be hired elsewhere.
- 3) Community Centre – neighbourhood based facility with activity space that is predominantly geared to providing services at a neighbourhood level. Community Centres currently have a range of different terms and conditions, some are on full repairing leases, some directly provided and others managed by PMOs but with R&M provided by the council. As the number of centres is rationalised we will be working to reduce the overall financial burden to the Council and put in place equitable arrangements across the portfolio.
- 4) Sole occupancy of a building at full market rate – larger VCS organisations that can afford to pay full market rates or who are not delivering services that meet our priorities would still be able to access buildings on the council's standard terms and conditions.

9.4 The Council has also been working to produce an open and transparent guide for voluntary and community sector organisations that wish to enter into lease arrangements with the council. This will ensure that organisations understand what to expect and the full implications of managing an asset.

## 10. Financial Implications

10.1 This report describes the proposed process for agreement of grants to community and voluntary sector organisations in 2015/16. Mayor and Cabinet will be asked to approve 2015-16 grants to community and voluntary sector organisations in April 2015.

10.2 The current recurrent revenue grants budget within the Community Services Directorate is as follows

14-15 Current Revised Budget	4,685,637
14-15 Investment Fund-Budget	800,000
14-15 London Borough Grant Programme Budget	303,763
14-15 Small grant Programme Budget	50,000
14-15 Faith Grant programme Budget	50,000
<b>2014-15 Budget</b>	<b>5,889,400</b>

10.3 If agreed, a saving proposal on the main M&C agenda would reduce this by £1.125m to £4,764,400 and by a further £0.375m in 2016/17. The 2015/16 reduction represents a 9 months saving as the new programme will start from 1/7/2015.

<b>2014-15 Revised budget</b>	5,889,400
15-16 Proposed savings	- 1,125,000
Total 2015-16 Budget	4,764,400
16-17 Proposed savings	- 375,000
Total 2016-17 Budget	4,389,400

10.4 This report also proposes an extension of the current main grants programme until 30<sup>th</sup> June 2015 subject to performance and agreement on outcomes and outputs. This can be funded from the 2015/16 budget shown in the table in paragraph 10.3. The report proposes that decisions on grant extensions for individual organisations be delegated to the Executive Director for Community Services.

## **11. Legal Implications**

11.1 Under S1 of the Localism Act 2011 the Council has a general power of competence to do anything which an individual may do unless it is expressly prohibited.

11.2 The giving of grants to voluntary organisations is a discretionary power which must be exercised reasonably taking into account all relevant considerations and ignoring irrelevant considerations.

11.3 In relation to any consultation exercise sufficient reasons must be given for any proposal, adequate time must be given for consideration and response and the outcome of the consultation must be conscientiously taken into account by the decision maker.

### **Equalities Legislation**

11.4 The Equality Act 2010 (the Act) introduced a new public sector equality duty (the equality duty or the duty). It covers the following nine protected characteristics: age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation.

11.5 In summary, the Council must, in the exercise of its functions, have due regard to the need to:

- eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Act.
- advance equality of opportunity between people who share a protected characteristic and those who do not.
- foster good relations between people who share a protected characteristic and those who do not.

11.6 The duty continues to be a “have regard duty”, and the weight to be attached to it is a matter for the Mayor, bearing in mind the issues of relevance and proportionality. It is not an absolute requirement to eliminate unlawful discrimination, advance equality of opportunity or foster good relations.

11.7 The Equality and Human Rights Commission has recently issued Technical Guidance on the Public Sector Equality Duty and statutory guidance entitled “Equality Act 2010 Services, Public Functions & Associations Statutory Code of Practice”. The Council must have regard to the statutory code in so far as it relates to the duty and attention is drawn to Chapter 11 which deals particularly with the equality duty. The Technical Guidance also covers what public authorities should do to meet the duty. This includes steps that are legally required, as well as recommended actions. The guidance does not have statutory force but nonetheless regard should be had to it, as failure to do so without compelling reason would be of evidential value. The statutory



code and the technical guidance can be found at:

<http://www.equalityhumanrights.com/legal-and-policy/equality-act/equality-act-codes-of-practice-and-technical-guidance/>

## **12. Crime and Disorder Implications**

- 12.1 The VCS services that will be funded through the main grants programme will make a positive contribution to building safer communities.

## **13. Equality Implications**

- 13.1 An Equality Analysis Assessment of the proposed changes to the main grants programme has been undertaken. This indicated a potential negative impact in relation to age with the removal of the dedicated Children and Young People strand. 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. 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.
- 13.2 There is the potential for a negative impact across other protected characteristics due to the proposed reduction to the grant aid budget. The exact detail of this will not be known until applications have been received and assessed. A further EAA will be undertaken at that stage to inform the decisions of Mayor and Cabinet Contracts.
- 13.3 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.
- 13.4 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.

## **14. Environmental Implications**

- 14.1 Part of the proposed assessment criteria includes the need for organisations to demonstrate how they are striving to be more environmentally sustainable.

### **Background Documents**

**None**

For further information please contact Liz Dart, Head of Culture and Community Development on 020 9314 8637 or [liz.dart@lewisham.gov.uk](mailto:liz.dart@lewisham.gov.uk)