

| MAYOR AND CABINET | | | |
|--------------------------|---|----------|-----------------|
| Report Title | Main Grants –Lewisham Disability Coalition | | |
| Key Decision | Yes | Item No. | |
| Ward | All | | |
| Contributors | Executive Director for Community Services Executive Director for Resources and Regeneration Head of Law | | |
| Class | Part 1 | Date: | 16 January 2019 |

1. Summary

- 1.1 Lewisham Disability Coalition (LDC) has been in receipt of a Main Grant of £87,565 per annum from Lewisham Council, as agreed by Mayor and Cabinet on 15 November 2017. The activities funded by the grant have provided services as part of the Advice Lewisham partnership, with a particular focus on people with disabilities. To date, 75% of the 2018/19 grant has been paid to the organisation, amounting to £65,674. This covers the period from April to December 2018.

Subsequent to the agreement of the grant, the organisation has experienced increasing financial difficulties, leading to the threat of insolvency. As a result of its mounting problems, the organisation's trustees decided in November 2018 that the organisation would cease operation at the end of December 2018. Following this decision, it has become necessary to take steps to discontinue the grant made to the organisation by Lewisham Council.

2. Purpose

- 2.1 The purpose of this report is to confirm the discontinuation of the current grant to LDC which took effect on 31 December 2018, the date on which the organisation ceased operations.

The report is also seeking to delegate responsibility to the Executive Director for Community Services to consider proposals from the organisation to contribute to its winding-up costs.

3. Recommendation/s

It is recommended that Mayor and Cabinet agree to the discontinuation of the Main Grant to LDC from 1 January 2019 and the delegation of decision making responsibility in relation to LDC's winding-up costs to the Executive Director for Community Services.

4. Policy Context

- 4.1 Lewisham's Sustainable Community Strategy 2008-2020, 'Shaping our Future', sets out the borough's ambitions to encourage development, enable citizens to live healthy lives and to empower Lewisham's communities to prosper. It has six strategic priorities, including a commitment to creating a borough that is "Empowered and

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

- 4.2 The empowered and responsible strand of the strategy highlights the importance of the community and voluntary sector in all areas of public life. 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”.
- 4.3 Lewisham has a strong history of working with the voluntary and community sector and empowering residents and communities. Lewisham is fortunate to have a strong and thriving sector which ranges from very small organisations with no paid staff through to local branches of national charities. The sector includes charities, not for profit companies limited by guarantee, faith organisations, civic amenity societies as well as social enterprises. There are estimated to be around 800 community and voluntary sector organisations in the borough.
- 4.4 What all these organisations have in common is their ability to bring significant additional value to the work that they do through voluntary support and raising funds from sources not available to other sectors such as charitable trusts. In addition they often provide services that the Council cannot easily provide; create links between communities and people; and give people a voice.
- 4.5 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.
- 4.6 Lewisham was the first London Borough to develop a Compact with the third sector in 2001. The compact seeks to support a positive relationship between the sector and key statutory partners. It includes expectations around the management of grant aid as well as broader partnership working principles. The compact was further developed in 2010 with the addition of guidelines for commissioning with the third sector in recognition of the important contribution that the third sector should play in identifying needs as well as potentially delivering service solutions.
- 4.7 Although the third sector’s role within the commissioning of local public services continues to grow the council recognises that there continues to be a need for grant aid investment for the following reasons:
 - A recognition of the importance of maintaining an independent sector that can act as a critical friend to challenge public sector policy and delivery.
 - A recognition that the third sector is often better placed to understand local communities and develop innovative assets based programmes that avoid the need for expensive, and sometimes unwelcome, statutory interventions at a later date.
 - A recognition that some people may feel more able to access voluntary sector groups due to suspicion, or negative experiences, of statutory services.
 - 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.

- 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.
- A recognition of the sector's potential to take risks and innovate which does not sit easily within commissioning frameworks.
- 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 significant additional resources and be ready to work in partnership with us.

5. Background to Discontinuation of Main Grant Funding to Lewisham Disability Coalition

- 5.1 LDC was formally constituted in 2002 with the mission of promoting equality, choice, independence and inclusion for disabled people of all ages and from all sections of the community, living, working and studying in Lewisham.
- 5.2 The principal service offered by the organisation has been information and advice and the organisation has been funded under the Access to Advice theme of the Council's Main Grants programme agreed by Mayor and Cabinet (Contracts) 7th December 2016 (Appendix A). The report can be found at:

<http://councilmeetings.lewisham.gov.uk/ieListDocuments.aspx?CId=199&MId=4370&Ver=4>

- 5.3 As is the case with all Main Grants funded advice organisations, LDC has operated as part of the integrated Advice Lewisham partnership since 2016.
- 5.4 As part of the Advice Lewisham partnership arrangement, the organisation's staff have delivered services via the central telephone advice line set up as a single point of contact for all Advice Lewisham partners. The organisation has further provided advice appointments and services, particularly in the area of welfare benefits.
- 5.5 The organisation has seen financial difficulties emerging over the last three years, and Council officers have been working with the Director and trustees for some time to address this. Council officers have also engaged Voluntary Action Lewisham to provide support to the organisation's trustees. Council officers and VAL have also worked with the organisation's auditors to ascertain the financial position.
- 5.6 In the last year, it has become apparent that, unless urgent action to reduce costs and attract additional funding was to be taken, the organisation's future would be threatened.
- 5.7 In the event, the organisation's trustees have not found it possible to take actions to secure the organisation's future.
- 5.8 In October 2018, the organisation ceased taking new referrals and work began to ensure that service user case management was completed. LDC reported in early December that all cases had been concluded with service users provided with the necessary support. Council officers cross referenced LDC's service users with individuals on Social Services caseloads and established that no current service users met these criteria. However, the

organisation identified a small number (five) of individuals to whom it had provided extensive non-advice support and it was agreed that information on these individuals would be passed to Advice Lewisham for onward support.

- 5.9 Redundancy implications were addressed during this period and it was identified two members of staff would be made redundant with effect from 31 December 2018

6. Financial implications

- 6.1 This report seeks approval to terminate the grant to Lewisham Disability Coalition from 31st December 2018. Reasons for this are set out in paragraph 5 above.
- 6.2 Closure will result in a saving on the grants budget of £21,891 in 2018/19. However, this saving may be reduced if the Council agrees to meet any of the organisation's winding-up costs.
- 6.3 Additionally, there will be an underspend of £29,188 in 2019/20 for the period between 1st April 2019 and 1st August 2019 when the new grants programme will be in place.

7. Legal implications

- 7.1 The Localism Act 2011 includes a 'general power of competence'. This gives local authorities the legal capacity to do anything an individual can do that is not specifically prohibited.
- 7.2 The giving or withdrawing of grants to community organizations is a discretionary power which must be exercised reasonably, taking relevant considerations into account and ignoring irrelevant considerations. Article 16.2 (xiii) (page 72) of the Council's Constitution provides that it is a key decision whether to grant or withdraw funding to any voluntary organisation in excess of £10,000.
- 7.3 The Council owes a fiduciary duty towards its taxpayers to ensure that grant monies paid to voluntary organisations are properly spent and are for the purposes for which the grant is made. Accordingly, the agreement with each organisation should contain provisions requiring it to keep proper accounts, have appropriate governance and management arrangements in place and allow the Council to monitor the same and allowing for termination in certain circumstances.
- 7.4 Clause 15.3 of the Council's final Conditions of Grant Aid for non-statutory organisations (with effect from 1 July 2015) allows for grant termination in the event of insolvency, or the organisation ceasing to operate. Organisations, if appropriate, may be given the right to make representations to the Council decision maker as to why a grant should not be withdrawn.
- 7.5 The Equality Act 2010 (the Act) introduced a public sector equality duty (the equality duty or the duty). It covers the following protected characteristics: age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation.
- 7.6 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.

7.7 It is not an absolute requirement to eliminate unlawful discrimination, harassment, victimisation or other prohibited conduct, or to promote equality of opportunity or foster good relations between persons who share a protected characteristic and those who do not. It is a duty to have due regard to the need to achieve the goals listed above. The weight to be attached to the duty will be dependent on the nature of the decision and the circumstances in which it is made. This is a matter for the Mayor, bearing in mind the issues of relevance and proportionality. The Mayor must understand the impact or likely impact of the decision on those with protected characteristics who are potentially affected by the decision. The extent of the duty will necessarily vary from case to case and due regard is such regard as is appropriate in all the circumstances.

7.8 The Equality and Human Rights Commission has 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:

<https://www.equalityhumanrights.com/en/advice-and-guidance/equality-act-codes-practice>
<https://www.equalityhumanrights.com/en/advice-and-guidance/equality-act-technical-guidance>

7.9 The Equality and Human Rights Commission (EHRC) has previously issued five guides for public authorities in England giving advice on the equality duty:

[The essential guide to the public sector equality duty](#)
[Meeting the equality duty in policy and decision-making](#)
[Engagement and the equality duty: A guide for public authorities](#)
[Objectives and the equality duty. A guide for public authorities](#)
[Equality Information and the Equality Duty: A Guide for Public Authorities](#)

7.10 The essential guide provides an overview of the equality duty requirements including the general equality duty, the specific duties and who they apply to. It covers what public authorities should do to meet the duty including steps that are legally required, as well as recommended actions. The other four documents provide more detailed guidance on key areas and advice on good practice. Further information and resources are available at:

<https://www.equalityhumanrights.com/en/advice-and-guidance/public-sector-equality-duty-guidance#h1>

8. Crime and Disorder Implications

8.1 There are no direct crime and disorder implications arising from this report.

9. Equalities Implications

9.1 Although LDC had a specialism in working with people with disabilities, other Advice Lewisham partners have expertise in this area and are equipped to meet the needs of individuals who would previously have been eligible for access to LDC services. No direct equalities implications are therefore envisaged. The Main Grants programme which is currently open for applications will seek alternative expert input to address specialist needs within the previous LDC service user group.

10. Environmental Implications

There are no environmental implications arising from this report.

11. Conclusion

It is unfortunate that the organisation has found it necessary to close but significant work has been undertaken to ensure that disruption to service users is minimised and alternative provision is secured. It is therefore recommended that Mayor and Cabinet approve the recommendations in this report and confirm that funding should be discontinued.

Appendix

Appendix A – Main Grants Programme 2017-19 – Mayor and Cabinet (Contracts) 7th December 2016