

<b>MAYOR AND CABINET (CONTRACTS)</b>		
<b>Report Title</b>	<b>Appeals against Main grants programme Recommendations</b>	
<b>Key Decision</b>	<b>Yes</b>	<b>Item No.</b>
<b>Ward</b>	<b>All</b>	
<b>Contributors</b>	<b>Executive Director for Community Services</b>	
<b>Class</b>	<b>Part 1</b>	<b>Date: 30/11/2016</b>

## **1. Purpose**

- 1.1 The purpose of this report is to present the letters of appeal against the Main Grant Programme 2017 –19 recommendations which will be presented to Mayor and Cabinet (Contracts) for agreement on 07 December 2016.

## **2. Recommendations**

It is recommended that Mayor and Cabinet (Contracts):

- 2.1 Hear each of the appeals and make recommendations to the subsequent meeting of Mayor and Cabinet (Contracts) on 07 December 2016 regarding any amendments to the original recommendations report. A draft of this report is available at the following link  
<http://councilmeetings.lewisham.gov.uk/ieListDocuments.aspx?MId=4166&x=1>

## **3. Policy Context**

- 3.1 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".
- 3.2 The empowered and responsible strand of the strategy highlights the importance of the community and voluntary sector in all areas of public life. It recognises that the sector plays a significant part in Lewisham's ongoing success.
- 3.3 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".
- 3.4 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.

- 3.5 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.
- 3.6 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.
- 3.7 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.
- 3.8 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 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 always sit easily within commissioning frameworks.
  - a recognition that third sector organisations have been key delivery partners 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 ready to work in partnership with us.

#### **4. Main Grants background**

- 4.1 The current main grants programme was agreed by Mayor and Cabinet Contracts on 13 May 2015. Funding was provided over four themes:
  - strong and cohesive communities
  - communities that care
  - access to advice services
  - widening access to arts and sports

- 4.2 In addition to the themes outlined above there is a commitment to fund:
- Organisations that are committed to working with each other and us to ensure the best possible outcomes for Lewisham's residents with our shared resources.
  - Active partners who are as passionate about Lewisham as we are and have the drive and capacity to make a difference to people's lives.
  - Organisations that understand the level and profile of local need and have the ability to transform the way they work to meet that need.
  - Organisations with a track record of adding value to council funding through attracting resources both financial and volunteer time.
  - Organisations that share values with the council as well as commitment to the London Living Wage, equalities and environmental sustainability.

- 4.3 Mayor and Cabinet (Contracts) agreed 2016-17 funding to 60 organisations on 17 February 2016. Funding was awarded for 2 years and 9 months, from July 2015 to March 2018.

## 5. Savings requirement

- 5.1 Due to the overall financial position of the Council Mayor and Cabinet have agreed to reduce the funding to the grants programme by £1m from 1 April 2017. This equates to around 25% of the overall main grants budget.
- 5.2 As such the Council was required to develop an approach to realising this saving and undertook a 6 week consultation on the proposed approach between 19 May 2016 and 30 June 2016.
- 5.3 In July 2016 the Mayor and Cabinet (Contracts) agreed that a full re-letting of the current programme was not appropriate and that officers should seek to realise the saving from the existing funding allocations through the activity outlined below in order of precedence:
1. *Remove funding from under-performing groups/those performing least well*
  2. *Negotiate reductions and seek alternative funding streams*
  3. *Work with groups to consider mergers or asset sharing*
  4. *Pro-rata reductions across all groups*
- 5.4 It was agreed that this would be undertaken in a uniform way with all groups following a detailed set of follow up questions also agreed by Mayor and Cabinet (Contracts) on 13 July 2016. Full details of the consultation and the agreed approach can be found at <http://councilmeetings.lewisham.gov.uk/ieDecisionDetails.aspx?Id=2921>.

- 5.5 In recognition of the fact that groups with funding agreements for three years faced reductions during that period it was agreed that the revised settlement would be extended for a further year through to 31 March 2019.

## 6. Implementation

- 6.1 Following the approval of the approach at Mayor and Cabinet (Contracts) officers undertook the following activity in developing funding recommendations for each group while ensuring they were kept fully informed of the process and

given ample opportunity to engage with the process and plan for any potential funding reduction:

- Head of Cultural and Community Development wrote to all funded groups (29/07/16) to outline the agreed approach and the list of questions (Appendix 2) that would be followed at meetings and suggested modelling for a 25% reduction including discussions with Trustees and frontline staff and volunteers
- Officers responded to initial requests for information or ad hoc meetings to discuss particular issues during the late summer
- Formal meetings were held with every group during July, August and September (see Appendix 3 for full meeting dates and attendees) to go through the agreed questions and formulate potential savings options
- Officers held internal ‘Dragon’s Den’ style sessions during October where managers challenged colleagues on their analysis, assumptions and recommendations
- Draft recommendations presented to Executive Director for Community Services (20/10/16)
- Draft recommendation reports sent to all groups (02/11/16) with a two week deadline for formal appeals
- Draft recommendations considered by Safer Stronger Select Committee (28/11/16)
- Appeals against officers recommendations made to Mayor and Cabinet (30/11/16)

- 6.2 The recommendation report for each group set out the performance data considered, a record of the meeting and the rationale behind the proposed level of funding.
- 6.3 Overall these meetings were extremely positive with officers meeting with 77 Members of staff from funded organisations as well as 36 trustees with board level representation at 65% of the meetings.
- 6.4 Overall significant alternative funding was secured for one project, 2 organisations are in formal partnership/merger negotiations with a single allocation for the future service delivery and 8 were identified for greater than a pro-rata cut.

## **6. Appeals process**

- 6.1 All organisations were written to on Wednesday, 2 November to inform them of the draft recommendation of their funding level. This letter also acted as three months notification of a change of funding for all current grant recipients.
- 6.2 As part of the main grants process organisations are given the opportunity to appeal against officers’ recommendations. The organisations were given until 15<sup>th</sup> November to write to the council disputing their funding recommendation.
- 6.3 5 organisations appealed their recommended allocation.
- 6.4 2 of these organisations (Lewisham Disability Coalition and Voluntary Services Lewisham) are recommended for a pro-rata reduction.

- 6.5 All 5 organisations have exercised their right to present their case to the meeting in person and will be considered as outlined below.

<b>Organisation</b>	<b>Time</b>
Grove Park Community Group	14:40
IRIE!	14:50
Mencap	15:00
Lewisham Disability Coalition	15:10
Voluntary Services Lewisham	15:20

- 6.4 The details of the amount applied for, current grant level (where applicable) and recommended amount are attached as appendix 1. The initial recommendations reports, appeals letter and officer response letter for each appellant are attached as appendices 2, 3, 4, 5 and 6.
- 6.5 Each organisation has 3 minutes to present their case with the remaining time within each ten minute slot for questions and clarification from the Mayor and Cabinet.
- 6.6 Following the consideration of all the appeals the Mayor and Cabinet will make recommendations to the subsequent meeting of Mayor and Cabinet (contracts) on 7 December 2016 regarding any changes to the original allocations.

## **7. Financial implications**

- 7.1 The current draft recommendations for Mayor and Cabinets (Contracts) fully allocates the available budget of £3,187,692.
- 7.2 Should any of the appeals be successful officers will be required to recalculate the proposed pro-rata cut to ensure that the budget is not in an overspend position form 2017/18.

## **8. Legal implications**

- 8.1 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.
- 8.2 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.
- 8.3 The Mayor and Cabinet have agreed to hear appeals against a change of funding in relation to all those organisations that wished to do so and these appeals are attached at Appendices 2-6.
- 8.4 The Equality Act 2012 (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.

- 8.5 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.
- 8.6 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.
- 8.7 The Equality and Human Rights Commission has recently issued Technical Guidance on the Public Sector Equality Duty and statutory guidance entitled “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/>
- 8.8 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
  - Equality objectives and the equality duty
  - Equality information and the equality duty
- 8.9 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:  
<http://www.equalityhumanrights.com/advice-and-guidance/public-sector-equality-duty/guidance-on-the-equality-duty/>

## **9. Crime & disorder implications**

- 9.1 There are no direct crime and disorder implications arising from this report. Some of the recommended main grant organisations deliver services and projects which help to reduce the fear of crime.

## **10. Equalities implications**

- 10.1 A mini Equalities Analysis Assessment (EEA) was undertaken on each of the recommendations within this report highlighting mitigating actions where required against the overall EEA undertaken when the programme was let in 2015. Details of all assessments are available via the main recommendation report.

## **11. Environmental implications**

- 11.1 There are no environmental implications arising from this report.

For further information on this report please contact James Lee, Head of Cultural and Community Development, [james.lee@lewisham.gov.uk](mailto:james.lee@lewisham.gov.uk), 020 8314 6548

**Appendix 1 – List of appellants' recommended allocations for main grant funding**

**Appendix 2 – Details of GPCG appeal - Initial officer recommendation reports, appeal letter, officer response to appeal letters**

**Appendix 3 - Details of IRIE! appeal - Initial officer recommendation reports, appeals letters, officer response to appeal letters**

**Appendix 4 –Details of Mencap appeal - Initial officer recommendation reports, appeals letters, officer response to appeal letters**

**Appendix 5 - Details of Lewisham Disability Coalition appeal - Initial officer recommendation reports, appeals letters, officer response to appeal letters**

**Appendix 6 - Details of Voluntary Service Lewisham appeal - Initial officer recommendation reports, appeals letters, officer response to appeal letters**

**Appendix 1 - List of appellants' recommended allocations for main grant funding**

Organisation Name	2016-17 funding	Recommended award (2017-18 and 2018 - 19 unless stated)	Actual Percentage cut
Lewisham Mencap	£40,000.00	£20,000	50.0%
Grove Park Community Group	£24,000.00	£0	100.0%
IRIE! (WATAS)	£24,905.33	£21,187	14.9%
IRIE! (Neighbourhood)	£24,000.00	£0	100.0%
Lewisham Disability Coalition	£103,333.33	£87,906	14.9%
Voluntary Service Association (Access Lewisham)	£98,200.00	£83,539	14.9%
Voluntary Services Lewisham	£92,352.00	£78,564	14.9%

