

| MAYOR AND CABINET | | | |
|--------------------------|---|----------|------------------|
| Report Title | Main Grants Programme 2019-22 | | |
| 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: | 21 November 2018 |

1. Purpose and summary of the report

- 1.1 Lewisham's main grant programme was last fully let in 2015 following a full public consultation on the revised framework which was agreed by Mayor and Cabinet (Contracts) on 12 November 2014.
- 1.2 These grants are due to expire at the end of March 2019 and the whole programme will need to be re-let. As part of the process of re-letting the programme the Council has proposed a number of changes to the assessment criteria. As such it has been necessary to run a three month consultation on these changes in order to allow for the sector, and the wider community, to give their views on the overall approach and to highlight any areas that they believe should be included in the programme.
- 1.3 This paper sets out the results of that consultation and seeks agreement for the process of re-letting the programme through to March 2022. The paper also seeks agreement to extend the current grants through to 31 July 2019 to allow for the application process to be completed and a full three months' notice given to all groups regarding the change of funding arrangements in line with the Voluntary Sector Compact. This extension is necessary to ensure decisions regarding the overall available budget for the programme are agreed in line with wider budget decisions across the council.
- 1.4 The overall re-letting of the programme will take place with an annual budget cut of £1,000,000.

2. Recommendations

- 2.1 It is recommended that the Mayor and Cabinet:
 - Note the outcome of the consultation on the main grants programme

- Agree the recommended approach to the programme for 2019-2022 as set out in section 7
- Agree the application form and guidance as attached as appendix 2
- Agree to the timetable for letting the 2019-2022 programme as set out in section 8
- Agree the recommendation to extend the funding of 60 voluntary and community sector groups, as outlined in section 8 and set out in appendix 3, for April-July 2019
- Agree the contribution to London Councils of a maximum of £229,056 for financial year 2019-20

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. 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 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.
- 3.4 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.
- 3.5 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.
- 3.6 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.

3.7 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.

4. Background

4.1 Lewisham's main grant programme was last fully let in 2015 following a full public consultation on the revised framework which was agreed by Mayor and Cabinet (Contracts) on 12 November 2014.

4.2 The allocations for 2015-2018 were 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

4.3 Due to the overall financial position of the Council Mayor and Cabinet agreed to reduce the funding to the grants programme by £1m from 1 April 2017. This equated to around 25% of the overall main grants budget.

4.4 Following consultation with the sector, 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
- 4.5 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.
- 4.6 Following formal meetings with all funded groups, officers developed funding recommendations which were agreed by Mayor and Cabinet (Contracts) on 7 December 2016, following appeals. A total of 60 grants were recommended for funding, the majority with a pro-rata cut of 15.3%. Four organisations were de-funded.
- 4.7 These grants are due to expire at the end of March 2019 and the whole programme will need to be re-let. As part of the process of re-letting the programme the council has proposed a number of changes to the assessment criteria. As such it has been necessary to run a three month consultation on these changes in order to allow for the sector, and the wider community, to give their views on the overall approach and to highlight any areas that they believe should be included in the programme.
- 4.8 This paper sets out the results of that consultation and seeks agreement for the process of re-letting the programme through to March 2022. The paper also seeks agreement to extend the current grants through to 31 July 2019 to allow for the application process to be completed and a full three months' notice given to all groups regarding the change of funding arrangements. This extension is necessary to ensure decisions regarding the overall available budget for the programme are agreed in line with wider budget decisions across the council.

5. Consultation overview

5.1 As set out above the council proposed a number of changes to the overall approach to the next round of the main grants programme. These proposals have been informed by general feedback from the sector and research into wider funding practice as well as specific pieces of work such as the Safer Stronger Communities Select Committee's 'Capacity in the Voluntary Sector' report and the review of Lewisham's funding of youth theatre and performing arts which was presented to Mayor and Cabinet in November 2017.

5.2 The draft consultation paper was also amended following feedback from the Safer Stronger Communities Select on 12 July 2018 and the Stronger Communities Partnership Board (chaired by the Cabinet Member for the Community Sector, Cllr Jonathan Slater) on 18 July 2018.

5.3 The online consultation ran for three months from 25 July to 25 October 2018 with two public meetings held on 17 September and 17 October (again chaired by Cllr Slater).

5.4 The consultation allowed for individuals/organisation to give general feedback and comments but also sought specific feedback on a number of assertions set out below:

- That the majority of the previous grants programme remains sound therefore it is sensible to maintain many aspects of the criteria and the themes
- Given the financial position of the council funding collaboration and partnership working are more important than in 2015 and that these areas be afforded increased weighting as part of this assessment round.
- That partnership bids from organisations working together to deliver single services would be expected and that funding would not be available different organisations separately to deliver a joint service
- That partnership working and innovation would be promoted by reducing the number of sub-criteria with the themes in order to promote innovation and cross-organisational working e.g. Communities that Care would no longer be split into 5 strands but would focus on the overarching outcomes of the theme and seek innovative bids from the sector to meet these.
- That while removing existing themes we may wish to target funding at areas of real need. This need could be defined in terms of the type of support needed by organisations, areas of the borough that are particularly lacking in provision or particular communities that are currently underserved by the programme.
- That a different approach would be necessary under the Access to Advice theme due to the work already undertaken to develop the Advice Lewisham partnership with a more targeted approach taken to preserve the infrastructure developed to date.
- That the Widening Access to Arts and Sports theme is broadly fit for purpose but should also clearly state that applications should 'provide opportunities for people of all ages to improve their health, wellbeing and resilience via participation'
- That core funding could potentially increase the ability of the sector to deliver effective services across the borough.

5.5 In order to test these assertions, and seek more general views, the consultation asked for specific feedback on a number of questions as set out below:

Overall

- a. The council wishes to retain a commitment to grant aid for the voluntary and community sector. Do you agree that grant aid is important? Is there anything missing from the rationale?
- b. How long do you think that grants should run for to allow for both organisation stability and new charities and projects to have the opportunity to bid for funding?

- c. Should funding be split to provide some long term grants and some smaller 'development or innovation grants' that run for a short period? If yes, do you feel the current Small and Faith grant fund should be included within this model?
- d. Which of the following do you think would deliver better outcomes for the residents of Lewisham:
 - i) Spreading funding across more organisations with each getting less
OR
 - ii) Funding fewer organisations to a higher level
- e. Should grants be provided to cover 'core' or project costs? If you feel that the grants should cover 'core' costs please tell us how you think the impact of this funding should be measured.
- f. Do you agree that the current funding themes are the correct ones? If not, please tell us what you feel is missing.
- g. Do you feel any of the themes should be considered a higher priority than the others? If so, why?
- h. Do you agree that the funding collaboration and partner profile criteria even more important than in 2015? If not, why not?
- i. 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.
- j. Do you have any other comments on the overall proposals?

Strong and Cohesive Communities

- a. What particular infrastructure support needs exist in the sector in Lewisham? What other services are available to support groups?
- b. Should community development funding be targeted at areas of highest need – either geographically OR demographically?
- c. Should community development funding be targeted at areas that currently have relatively few services compared to the rest of the borough?
- d. What is the most effective way of targeting funding around equalities?

Communities that Care

- a. Do you support the removal the sub-themes under Communities that Care? If not, why not?
- b. Are there any specific areas that you feel we should be focusing on under this theme?

Access to Advice Services

- a. Do you support the proposed approach to advice services based on the work of the Advice Lewisham partnership? If not, why not?

Widening Access to Arts and Sports

- a. Do you agree that one of the aims of this theme should be ‘to provide opportunities for people of all ages to improve their health, wellbeing and resilience via participation’? If not, why not?
- b. Should funding under this theme be targeted at groups with traditionally lower rates of participant?
- c. Are there any other areas you would like to see included within this theme?

6. Consultation results and conclusions

6.1 As set out in section 5 the online consultation was open for three months from 25 July to 25 October 2018 with two public meetings held on 17 September and 17 October.

6.2 There were 77 responses to the online consultation with a further 49 attending the two consultation meetings. Of the online responses 40 were made on behalf of an organisation (the 39 who self-identified are listed at appendix 1) with 36 individual responses and 1 respondent not specifying in either category. Overall feedback from the consultation meeting mirrored that provided via the online survey so the conclusions set out in section 7 take account of both avenues of feedback.

Rationale for grant funding

6.3 The first section of the consultation explored whether respondents felt that there was still a strong rationale for grant funding rather than taking a commissioning approach or using another way of delivering activity. The vast majority of respondents agreed that grant aid is important with 68 strongly agreeing, 6 agreeing and only 2 disagreeing with 1 neither agreeing nor disagreeing. There were no respondents who strongly disagreed.

6.4 There were 33 responses to the question of whether there was there anything missing from the rationale for grant funding. However, 9 of these responses simply reiterated support for the existing criteria.

6.5 The most common theme in the remaining responses suggest that the grant criteria should reflect a focus on local need whilst also demonstrating the borough's endorsement of groups to other funders. This increases the ability within the sector to bring in significant amounts of additional resource to support Lewisham residents, representing a multiplier effect on investment.

6.6 Another point was that some people may feel more able to access voluntary sector groups due to suspicion, or negative experiences, of statutory services and therefore grant aid increases the ability of funding to reach those who may otherwise go unsupported. Officers feel that these are both well-made and uncontentious points so have updated the existing criteria at paragraph 3.7 and will use this list as the preamble to the full application process.

6.7 A number of respondents seemingly misunderstood this question and responded with criteria against which groups should be funded rather than overall criteria that support grant aid. Of these responses there was strong support that funding should be targeted at efficient, effective and well run organisations that are able to demonstrate the ability to attract other funding to the borough.

6.8 Typical responses included phrases such as "those funded should display excellence, accountability and best value for money" and "some organisations are wholly dependent on LBL funding and yet fail to prove efficacy and reach."

6.9 These are echoed in comments highlighted in paragraphs 6.39 and 6.40 – and are reflected in the proposed approach outlined in section 7 and in the application form and guidance attached as appendix 2.

6.10 The only caution against focusing on the most established and effective groups came from a number of respondents who noted that smaller, more local groups should not be overlooked and these concerns are address within the proposed approach outlined in section 7.

Length and types of funding

6.11 The next section of the consultation related to the length and type of funding that should be available.

6.12 On the length of grants there was a general consensus that the grants should be between 2 and 5 years with a slight preference for the longer period. Overall 37% of respondents thought the grants should be 2-3 years with just over 50% opting for 3-5 years. The idea of grants of 1 year or less attracted just 4% support while over 5 years was favoured by just under 8%.

6.13 However, alongside this there was strong support for splitting funding to provide some long term grants and some smaller 'development or innovation grants' that run for a shorter period with over 61% of respondents favouring this approach and less than 21% disagreeing with the proposal. Just over 18% of respondents were not sure which approach they supported.

6.14 The responses to whether all small grants should be rolled into the process was much more mixed with 27% of responses saying yes, 22% saying no, 30% being unsure and a final 21% not answering the question.

6.15 There was strong support for the grants to cover both 'core' and project costs with over 72% of respondents selecting this option. Core costs only was favoured by around 21% with less than 4% favouring project only grants with the remainder unsure.

6.16 However, there was also a significant level of narrative feedback related to this question with 51 respondents making further comments. The analysis of these responses has shown much greater support for core cost funding that might be assumed from the quantitative feedback with around a third of the free text submissions from those who opted for core and project funding extolling the virtues of core funding as the most effective method of promoting a vibrant voluntary sector.

6.17 A number of those who identified core funding as key, highlighted evidence to support their position including a report from the Philanthropy Institute (2017) which highlighted the benefits of core funding but the extent to which funders are reluctant to make grant to help with core costs, including overheads and day-to-day operations. In addition there was also reference to the House of Lords Select Committee report *Stronger Charities for Stronger Society* which reinforces how damaging project only funding can be to non-profits and those they serve. Also the Council's own Safer Stronger Communities Select Committee report, *Capacity in the Voluntary Sector*, which recommended 'providing the opportunity to fund core costs'.

6.18 For those who explained their support for both core and project costs directly there were a number of references to 'full cost recovery' whereby an element of core costs should be covered within any effective project funding. There was also a feeling that project costs be targeted at smaller groups.

6.19 Feedback on how core costs should be monitored provided a degree of consensus with those who addressed the questions directly, normally referring to the assessment of the 'added value' across the whole organisation and the extent to which core funding released the potential of an organisation to raise more funds from elsewhere.

6.20 The final element of this section related to the spread of funding which provided support for funding fewer organisations to a higher level (just over 62%) over spreading funding across more organisations with each getting less (just over 36%).

6.21 Taken together the responses to this section provided a clear steer on a number of points and a more nuanced position on others. The areas where there was clarity were:

- Grants should be between 2 and 5 years
- There should be a split between longer and short funding periods
- That core funding should form some part of the funding offer and this should be monitored at an organisational level
- Project costs should be available for smaller groups
- That fewer organisations should be funded at a higher level

6.22 Areas where there was less clarity related to the inclusion of other small grant funding within the process and the balance between core and project funding that should be available.

Funding themes and criteria

6.23 The next section of the consultation covered funding themes and criteria.

6.24 There was clear support for retaining the existing 4 themes with over 74% supporting their retention and less than 15% dissenting from this view. In summary these themes are:

Strong and Cohesive Communities – this theme seeks to develop and maintain strong communities and build a more inclusive and cohesive borough. 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 also funds 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 is on increasing participation particularly by those who are less able to participate due to disability, economic disadvantage and age.

6.25 In response to the question regarding areas that are missing from the current themes there were 25 further responses with 2 mentioning education and training as a missing area and a number of others highlighting that social isolation should be more explicitly referenced.

6.26 However, the most common observation being that the themes are the correct ones but are potentially limiting and do not recognise that many service cut across the boundaries between the areas. This is an issue that was highlighted prior to the consultation and which prompted the inclusion of a proposal to remove the sub themes within Communities that Care. The response to this area supported the above feedback with over 51% either strong supporting or supporting the proposal and less than 17% opposing or strongly opposing.

6.27 Those that opposed the removal of the themes tended to do so for one of two reasons – either they provided a specific service that was covered by one of the sub-themes and/or they erroneously took it to mean that by removing the themes, these areas would no longer be considered for funding.

6.28 However, as well as strong support for the removal of the sub-themes within Communities that Care there were also 41 responses which highlighted areas that should be mentioned as a priority. The vast majority of these were areas that are covered in the general criteria e.g. support for vulnerable adults, transport, advocacy etc. Social isolation was again mentioned here and there were several responses which called for services which sought to integrate communities to be given greater priority.

6.29 When considering whether any of the themes should be a higher priority than the others nearly 43% felt there should be some priority with 57% saying no or not sure (31 and 25% respectively). The analysis of the narrative responses to this question (41 in total) showed stronger support for Communities that Care (13 references with a further 2 making specific reference to advocacy service for adults with learning disabilities) followed by Access to Advice (8 references) and Stronger Cohesive Communities (7 references with the majority referring to empowering communities to help themselves). Widening Access to Arts and Sports was not as well supported with only 3 respondents highlighting this theme as a priority and 2 others stating that it should receive less funding as more alternative funding is available for these activities. However, these responses generally reflect the size of the current funding pots and are therefore not unexpected.

6.30 There was reasonably strong support for funding to protect the advice infrastructure developed through the work of the Advice Lewisham partnership with 54% of respondents in overall support with the following results returned: Strongly Support 16%, Support 38%, Neither support or oppose 21%, Oppose 14%, Strongly Oppose 2% and Not Answered 9%.

6.31 There were 27 further response to this element of the consultation with those who responded most often highlighting the waiting times on the current Adviceline, the limited availability of home visits and the lack of integration with other services such as libraries as reasons why they did not support the Advice Lewisham model.

6.32 With specific reference to the Strong and Cohesive Communities theme there was a mixed response to targeting resources geographically in terms of need (40% for, 42% against) but stronger (relative) support for targeting at areas that currently have relatively few services compared to the rest of the borough with 44% supporting this and only 18% opposing (the remainder were either unsure or did not answer). There was strong support for targeting these resources demographically with nearly 69% of respondents favouring targeting and just over 18% taking the opposite position. These responses will be picked up in the equalities section below (paragraphs 6.42 – 6.52).

6.33 Within this theme there were a significant number of narrative response relating to infrastructure needs for the sector in Lewisham with 56 written response to this question.

6.34 However, around half of the responses highlighted gaps in service provision, such as advice, advocacy, community development and support for specific groups,

rather than in sector infrastructure. These comments were in line with feedback across other questions and so have been considered alongside them.

6.35 Where responses highlighted sector-wide infrastructure needs the most common was the need for information sharing and networking opportunities. Several of these responses called for the council to take a more active role in this sphere through the creation of document 'depositories' and through the provision of meeting spaces. The most common request beyond this was for specialist support relating to legal, financial and governance issues. Several respondents commented that overarching infrastructure support was a waste of money and this resource should be re-invested in direct service provision.

6.36 In terms of existing support available to the sector several respondents mentioned Voluntary Action Lewisham and there were several references to the Neighbourhood Community Development partnerships (run by Community Connections), Lewisham Education Arts Network (LEAN) and local faith and church networks. Other groups that were mentioned once included the emerging 'London Hub', Lewisham Local and the New Cross Community Trust.

6.37 The final specific questions in this section related to the Widening Access to the Arts and Sport theme, regarding inclusion of 'providing opportunities for people of all ages to improve their health, wellbeing and resilience via participation' as a criteria and the targeting of the theme at groups with traditionally lower rates of participation?

6.38 These were both supported with 91% agreeing or strongly agreeing with the extra criteria while over 49% of respondents favoured the targeting of resources against only 22% who were against this. Narrative responses to this question highlighted specific groups who might be targeted including children in care or temporary accommodation, people with learning disabilities and those with long term health conditions.

6.39 Beyond the specific themes there was significant support for the assertion that the funding collaboration and partner profile criteria are even more important than in 2015 with 69% of respondents in agreement and only 14% disagreeing. Those that provided narrative feedback on this area (30) generally re-iterated their support for the principles of partnership working but there were some notes of caution that this not be seen as a panacea in a time of diminishing resources. A number of respondents made the point (similar to others elsewhere in the consultation) that funding efficient and quality organisations should be prioritised. This was explicitly stated, in this context, as preferable to providing funding to less effective groups and encouraging them to partner with stronger ones.

6.40 Respondents were then given a free text opportunity to provide overall comments on the proposals. There were 32 responses to this element of the consultation with a significant number of comments simply re-iterating overall support for the grants process. A number of comments related to issues outside the scope of the grants programme including police numbers, regeneration schemes and the council's role in lobbying for more resources with the final group of responses again echoing comments detailed in paragraphs 6.39 and 6.9 regarding the prioritisation of resources towards the most well managed and efficient organisations.

6.41 Overall the responses in this section provided clear preferences in a number of areas. These include:

- Support for the removal of the sub theme criteria on the understanding that it be re-enforced that this did not mean any services were being explicitly removed from the scope of funding
- Linked to the above there was support for making it clear that services including transport and advocacy remained a priority as do those that serve to integrate communities and tackle social isolation
- There was limited support for targeting funding simply geographically unless this related to a lack of existing provision in that area.
- Demographic targeting was supported and this is addressed in the equalities section below.
- The main infrastructure support needs (excluding equalities) identified were networking and partnership support and specialist legal, financial and governance support although there was no consensus on how these needs should best be met
- There was support for a bespoke approach to Advice services based on the work of the Advice Lewisham partnership.
- Within Widening Access to the Arts and Sport theme there was support for the inclusion of 'providing opportunities for people of all ages to improve their health, wellbeing and resilience via participation' as a criteria and the targeting of the theme at groups with traditionally lower rates of participation.
- There was support for increased emphasis on funding collaboration and the partner profile.
- Overall there was a preference for targeting funding at groups with a strong track record of efficiency and effectiveness.

6.42 On a more general point some responses highlighted the need for services that were excluded from the criteria in 2015 as they were explicated, commissioned or delivered elsewhere. These included education and employment services and those explicitly for children and young people (except under the Widening Access to Arts and Sports theme). These exclusions remain in place and will be made explicit as part of the application process.

Equalities

6.43 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.

6.44 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.

6.45 As such there were a number of questions within the consultation regarding how best the revised approach to the grants programme might support these aims.

6.46 Overall there was support for the idea that community development funding be targeted at areas of highest need in terms of demographics with nearly 69% of respondents agreeing with this approach and only 18% disagreeing.

6.47 However, there was less clarity of exactly which groups should be targeted and how. There were 51 respondents to the question relating to targeting funding around equalities but little or no consensus regarding an approach. There were a number of requests that the council make more data available to show which groups are most marginalised but these were countered by other responses which stated that only by funding local, user-led groups could there be a true understanding of needs and there was clear support for an assets-based approach in this regard. A number of respondents stated that all groups should have targets for engaging all groups, particularly those who do not naturally engage with the services.

6.48 On the overall impact the proposed changes may have across the protected characteristics there was a mixed response. It was clear from the narrative response that the vast majority of those who responded to these questions did so in reaction to proposed budget cuts rather than the approach to funding so to an extent these response are not pertinent as part of this consultation. However there were a number of responses which highlighted the need for advice service in additional languages to be maintained and, again, that advocacy service not be disadvantaged by the removal of themes under Communities that Care. Other than this there was a general feeling from those that commented directly on the proposed changes that they represented a positive move. An example of this is reflected in the comment that 'the proposed changes appear in theory aimed at enhancing the impact of organisations in for those groups. However, a reduction of the total amount of funding available will impact negatively all groups, despite improved criteria for awarding the grants.'

6.49 Again, the majority of responses on the potential impact on the individual protected characteristics seem to relate to budget cuts rather than the proposed changes. As such it is not surprising there a significant percentage of respondents felt there would either be a negative or an extremely negative impact across the protected characteristics. While there is little to be gleaned from these responses over and above the points highlighted in paragraph 6.47 above it is interesting to note the differential in the responses across the groups. In descending order the consultation felt the most significant impacts would be on:

- Disability - 39% (combined negative/extremely negative impact responses)
- Age - 36%
- Race - 36%
- Sex - 30%
- Faith/ Religious belief - 29%
- Sexual Orientation - 22%
- Gender Reassignment - 20%
- Pregnancy/Maternity - 17%
- Marital Status - 14%

6.50 It seems reasonable to assume that this is a rough reflection of the concerns of respondents generally and it is important that the new application process is designed with this in mind.

6.51 Taking the equalities responses as a whole it is clear that there is general support for both specific funding for groups who represent and promote the interests of particular groups, particularly those taking an assets based approach, but also that all funded organisation should have to set out how they will engage Lewisham's diverse communities in their service offers.

6.52 There was a balance in opinions as to whether the identification of specific needs should be done by the council or be community/sector led. Notwithstanding this, the level of concerns regarding the impact of the re-letting of the programme on disability, age and race in particular are of note.

6.53 The overall approach to completing an Equality Assurance Assessments EEA for the programme is set out in section 13 below.

7. Overall conclusions and recommended response

7.1 The responses to the consultation have provided a clear steer on the proposed changes to the main grants programme and therefore it is recommended that the following changes are made:

- grants are split between 3 year grants that provide core funding and 2 year grants that fund direct project activity
- fewer organisations will be funded at a higher level rather than spreading funding across a larger number of groups
- project funding be available for smaller or newer groups at a lower level but based on full cost recovery
- project funding be limited to £35,000 to target towards smaller groups (although smaller groups are also encouraged to consider core funding which has no overall limit)
- organisations and projects in areas with relatively little provision be given priority within the assessment process
- track record, efficiency and effectiveness will form a key part of the assessment criteria overall the assessment process
- core funding bids will be assessed and monitored at an organisational level while project funding be assessed against specific activity
- sub theme criteria be removed on the understanding that it be re-enforced that this did not mean any services were being explicitly removed from the scope of funding
- demographic targeting is supported with applications relating to addressing inequalities. Disability, age and race were highlighted as particular areas of concern in the consultation but the council welcomes application across all protected characteristics as well as other demographic groups.
- the council makes important demographic information available as part of the application process

- no commitment will be made to relative priorities between themes with all bids judged on their merits and how they contribute to an overall network of services
- assets based approaches are welcomed and supported
- networking and partnership building support across the sector be included as a requirement for all groups applying for core funding
- specialist legal, financial and governance support be the main focus of the sector infrastructure offer
- there is a bespoke approach to Advice services based on the work of the Advice Lewisham partnership with the clear expectation that this work continues to strive to improve access for all groups.
- within Widening Access to the Arts and Sport theme ‘providing opportunities for people of all ages to improve their health, wellbeing and resilience via participation’ is included as a criteria and the theme is targeted groups with traditionally lower rates of participant.
- there is increased focus and weighting towards funding collaboration and the partner profile within the assessment process (these will be considered alongside assessments of track record of delivery, efficiency and effectiveness outlined above)
- areas of provision excluded from the criteria in 2015, as they were commissioned or delivered elsewhere, remain so with this be made explicit as part of the application process¹.

7.2 The full application form with associated guidance is attached as appendix 2.

8. Application timeline and budget cut

8.1 The timetable for the letting of the new grants is outlined below:

| Date | Activity |
|---------------------------------------|---|
| 3rd Dec 18 | Open for applications |
| 4th Feb 19 | Application deadline |
| 6 th -12 th Feb | Initial Officer Assessments |
| w/c 18 th Feb | Assessment panel meetings |
| w/c 4 March | Draft recommendations to organisations – with a letter confirming that this is 4.5 months notice of potential change of funding for groups already receiving grants. Information about appeals process. |
| 12 March | Safer Stronger Communities Select Committee – draft allocations (Part 2) |

¹ The overall theme criteria were agreed by Mayor and Cabinet on 12 November 2014 with the subsequent grants being let at Mayor and Cabinet on 13 May 2015. It was agreed that employment and skills provision was to be provided through locally held Job Centre Plus budgets and related regional commissioning activity. The focus for youth activity within the main grants programme was confirmed as cultural provision as the Youth Service through both its direct and commissioned services provides for generic youth work.

| | |
|----------------------------|---|
| w/c 1 April | Mayor and Cabinet - Appeals Meeting |
| 18th April | Funding agreed at Mayor and Cabinet (Contracts) |
| w/c 22 nd April | Final allocation letters sent to grant recipients (subject to call-in) with official three month notice to existing grant recipients. |
| 1st August 2019 | New grants begin |

8.2 The budget for the new main grants programme will be £1,000,000 per annum lower than the current budget at £2,389,771.

9. Extension of current grants

- 9.1 In order to facilitate the timeline as set out above Mayor & Cabinet are asked to agree extend the funding to the 60 voluntary and community sector groups listed in appendix 3 for Main Grant funding between 1 April and 31 July 2019.
- 9.2 Officers continue to monitor all funded organisations in receipt of Main Grant funding. This is done in two ways. Firstly, at an organisational and strategic level, an annual monitoring exercise takes place using the Rocket Science assessment tool. This assesses leadership, finance, performance oversight and business development. Secondly, a quarterly monitoring report is submitted by each organisation outlining their performance against agreed outcomes and outputs. During 2018-19, to date, performance for all organisations has been satisfactory and in some cases organisations continue to protect and deliver front line service provision at previous funding levels despite their cut in funding.
- 9.3 There is an organisation that is recommended for extended funding currently experiencing financial difficulty but officers are working with them to address the situation. Should further action be required regarding the grant to this organisation but the end of July 2019 officers will return to Mayor and Cabinet with a further report.
- 9.4 The grant contribution by the Council to London Council will not be considered by the LC Grants Committee until 21st November to consider and make recommendations to Leaders' Committee so at this stage the required contribution is unknown. However, at this stage the recommendation is for Mayor and Cabinet to agree to a maximum contribution of £229,056 (the current amount) for the financial year 2019/20.
- 9.5 Since Mayor & Cabinet (Contracts) last approved these grants the London FA have restructured and approached the council to relinquish their grant as a organisation wide restructure meant that they were no longer able to deliver the Lewisham Football Network. As the grant was delivering ongoing activities that clubs in the borough wished to see continue officers opened discussion with Millwall Community Trust to establish whether it would be possible for the organisation to take on management of the grant and facilitation of the Lewisham Football Network. It was agreed that this was possible
- 9.6 Due to the fact that the changes to management of the grant took place mid-year, this meant that the funding to Millwall Community Trust was under the £10,000 threshold for approval by the Executive Director for Community Services and it was not necessary therefore to present a report to Mayor and

Cabinet (Contracts) but this grant is now included in the list for extension alongside the other on-going grants.

- 9.7 Overall, the extension period means that the new grants will be 1 year and 8 months for project funding and 2 years and 8 months for project funding rather than 2 and 3 years respectively.

10. Financial Implications

- 10.1 This report seeks approval for a recommended approach to the main grants programme for 2019-22 (set out in section 7).
- 10.2 It also seeks approval to extend the funding of 60 voluntary and community sector groups, as outlined in section 8 and set out in appendix 3, for April-July 2019. The total cost of this extension is £1,148,798.
- 10.3 Additionally, it seeks agreement for a grant contribution to London Councils of a maximum of £229,056 for financial year 2019-20.
- 10.4 The proposed 2019/20 costs can be met from the Community Services revenue budget for voluntary sector grants, as reduced by the part year effect of the proposed cut referred to in para 1.4.

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.
- 11.4 The level of grants at over £10,000 requires the approval of Mayor and Cabinet. The decision will be a key decision under Article 16(c.) (xiii) of the Constitution.
- 11.5 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.

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 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-actcodes-ofpractice- and-technical-guidance/>

11.8 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

11.9 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-sectorequalityduty/guidance-on-the-equality-duty/>.

12. Crime & Disorder Implications

12.1 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.

13. Equalities Implications

- 13.1 A mini Equalities Analysis Assessment (EEA) was undertaken on each of the recommendations made to Mayor & Cabinet (Contracts) in May 2015. In addition an overall EEA was undertaken.
- 13.2 The overall assessment of the EEA was that the spread of services recommended for funding under the main grants programme was considered to be fair and equitable and did not disproportionately affect any one particular group. The awarding of grants to a wide variety of organisations that work with and support Lewisham's diverse communities will help to promote equal opportunities.
- 13.3 The £1m reduction to the grants programme from 1 April 2017 was analysed in terms of equalities impact, and whilst the method used to take the saving sought to minimise direct impact on service delivery; individual assessments of the protected characteristics most affected by each funding recommendation showed that the highest impact was against age (primarily older people), along with disability and ethnicity. Officers worked with individual groups to mitigate specific impact of funding reductions and sought to mitigate the impact on older people through the protection of funding to Community Connections.
- 13.4 It is not possible to undertake a meaningful EEA ahead of this date due to uncertainty regarding what new provision will be recommended as part of the next round.
- 13.5 The findings of the original EEA of 2015 and subsequent assessments for 2017-18 funding will be the starting point for a full EEA of the proposals regarding the new grants in April 2019 and the both the individuals proposals and the full programme will be assessed against the provision it is replacing and demographic baselines.
- 13.6 The response to the consultation outlined in this report, the proposed response and the application form and process are all designed to ensure the new grants programme has a positive impact across the protected characteristic and the impacts of budget reductions are kept to a minimum.

14. Environmental Implications

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

15. Conclusion

- 15.1 The Council recognises the important part that the voluntary and community sector plays in the lives of our residents and the main grants programmes seeks to support this provision.
- 15.2 The continued awarding of main grant funding will enable these organisations to continue to deliver much needed services across the borough.
- 15.3 This paper sets out the process for letting the programme for 2019-22 with officers to return to Mayor and Cabinet in April 2019 with recommendations for the allocation of funding.

If there are any queries on this report please contact James Lee, Head of Culture and Community Development - james.lee@lewisham.gov.uk, 020 8314 6548.

Appendices

Appendix 1 – List of organisations recommended for main grant funding for 2018-19

Appendix 2 – Application form and guidance

Appendix 3 - List of organisations recommended for main grant funding between April and July 2019

Appendix 1 - Organisations who responded to the on-line consultation

- 170 Community Project
- Action for refugees in Lewisham
- Advice Lewisham
- Age Exchange
- AGE UK LEWISHAM AND SOUTHWARK
- BLG Mind
- Bromley, Lewisham and Greenwich Mind
- Citizens Advice Lewisham
- Contact (formerly Contact-a-Family)
- Deptford Reach Centre
- Entelechy Arts
- Evelyn 190 Community Trust
- Heart N Soul
- HUELLAS
- Lee Green Lives
- Lewisham Churches Care
- Lewisham Community Transport
- Lewisham Education Arts Network
- Lewisham Local (collaborative of local organisations)
- Lewisham Multilingual Advice Service
- Lewisham People's Parliament for Learning Disabilities
- Lewisham Speaking Up
- Lewisham Youth Theatre
- METRO Charity (The Metro Centre Ltd)
- Montage Theatre Arts
- NEET Hustle
- Noah's Ark Children's Venture
- Pepys Community Forum
- Phoenix Community Housing Association
- Rushey Green Time Bank
- St Barnabas Church
- St Luke's and St Mark's Downham and The Front Room Club
- Stanstead Lodge Senior Club Ltd (formerly Lewisham Elders Resource Centre Ltd.)
- Sydenham Garden
- Teatro Vivo
- Telegraph Hill Community Network
- Trinity Laban Conservatoire of Music and Dance
- Voluntary Services Lewisham
- Voluntary Action Lewisham
- WHEELS FOR WELLBEING

Appendix 3: List of organisations recommended for main grant funding between April and July 2019

| Organisation Name | 2018-19 allocation | April-July 2019 allocation |
|--|---------------------------|-----------------------------------|
| 170 Community Project | £110,727 | £37,010.12 |
| 999 Club | £8,474 | £2,832.41 |
| Ackroyd Community Association | £41,523 | £13,878.92 |
| Advice Lewisham bid - Lewisham CAB | £44,234 | £14,785.06 |
| Age Exchange | £27,541 | £9,205.48 |
| Age UK Lewisham & Southwark (Advice) | £81,350 | £27,190.96 |
| Ageing Well in Lewisham | £25,637 | £8,569.08 |
| Albany | £267,290 | £89,340.77 |
| Bellingham Community Project Ltd | £27,032 | £9,035.35 |
| Bromley & Lewisham Mind | £29,579 | £9,886.68 |
| Contact a Family | £60,606 | £20,257.35 |
| Corbett Estate Neighbourhood Forum | £20,338 | £6,797.91 |
| Deptford Mission – Disabled People’s Contact | £6,144 | £2,053.61 |
| Deptford Reach | £16,948 | £5,664.81 |
| Deptford X | £8,474 | £2,832.41 |
| Eco Communities | £33,896 | £11,329.62 |
| Entelechy Arts | £33,896 | £11,329.62 |
| Evelyn 190 Centre | £175,129 | £58,536.27 |
| Goldsmiths Community Association | £20,338 | £6,797.91 |
| Greenwich & Lewisham Young People’s Theatre | £68,530 | £22,905.92 |
| Grove Centre, The | £16,524 | £5,523.09 |
| Heart n Soul | £58,472 | £19,544.07 |
| IRIE! (WATAS) | £21,105 | £7,054.27 |
| Lewisham Citizens Advice Bureau | £424,486 | £141,882.99 |
| Lewisham Community Transport Scheme | £40,675 | £13,595.48 |
| Lewisham Disability Coalition | £87,565 | £29,268.30 |
| Lewisham Education Arts Network | £32,201 | £10,763.07 |
| Lewisham Elders Resource Centre (Seniors) | £38,669 | £12,924.98 |
| Lewisham Multilingual Advice Service | £34,743 | £11,612.73 |
| Lewisham Pensioners Forum | £33,896 | £11,329.62 |
| Lewisham Refugee and Migrant Network | £74,503 | £24,902.37 |
| Lewisham Speaking Up | £73,441 | £24,547.40 |
| Lewisham Youth Theatre | £36,559 | £12,219.72 |
| London Sport (Boxing Allocation) | £15,000 | £5,013.70 |

| | | |
|---|-------------------|-------------------|
| London Thunder - Lewisham | £21,185 | £7,081.01 |
| METRO (The Metro Centre Ltd) | £28,247 | £9,441.46 |
| Midi Music Company, The | £44,092 | £14,737.60 |
| Millwall Community Scheme | £21,185 | £7,081.01 |
| Montage Theatre Arts | £8,474 | £2,832.41 |
| Noah's Ark Children's Venture | £36,156 | £12,085.02 |
| Parent Support Group (PSG) | £4,271 | £1,427.57 |
| Rushey Green Time Bank | £76,266 | £25,491.65 |
| Second Wave Centre for Youth Arts | £45,017 | £15,046.78 |
| Somerville Youth & Play Provision (neighbourhood) | £20,338 | £6,797.91 |
| South East London Tennis (Tennis Lewisham) | £25,140 | £8,402.96 |
| Stephen Lawrence Charitable Trust | £34,586 | £11,560.25 |
| Sydenham Arts Ltd | £8,474 | £2,832.41 |
| Sydenham Garden | £33,147 | £11,079.27 |
| Teatro Vivo | £29,377 | £9,819.16 |
| Trinity Laban Conservatoire of Music and Dance | £76,831 | £25,680.50 |
| Voluntary Service Association (Access Lewisham) | £83,215 | £27,814.33 |
| Voluntary Services Lewisham | £78,259 | £26,157.80 |
| Wheels for Wellbeing | £28,925 | £9,668.08 |
| Community Connections Consortium (Age UK)* | £336,000 | £112,306.85 |
| Lee Green Lives | £15,600 | £5,214.25 |
| Lewisham Mencap | £30,000 | £10,027.40 |
| Voluntary Action Lewisham | £210,000 | £70,191.78 |
| Saxon Crown Swimming Club | £6,667 | £2,228.42 |
| Somerville Youth & Play Provision | £40,000 | £13,369.86 |
| TOTAL | £3,436,977 | £1,148,798 |
| London Councils Contribution | £229,056 | #£76,561.18 |
| OVERALL TOTAL | £3,699,836 | £1,236,658 |

* - The overall cost for this provision includes £250,000 per annum being paid through the Better Care Fund.

- 4 months of maximum contribution level of £229,056