

# REPORT FOR: **CABINET**

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<b>Date of Meeting:</b>	19 March 2015
<b>Subject:</b>	Voluntary & Community Sector: Outcome of consultation on funding and recommendations for funding 2015-16
<b>Key Decision:</b>	Yes
<b>Responsible Officer:</b>	Paul Najsarek, Corporate Director of Community, Health and Wellbeing
<b>Portfolio Holder:</b>	Councillor Sue Anderson, Portfolio Holder Community, Culture and Resident Engagement Councillor Margaret Davine, Portfolio Holder Adults and Older People Councillor Sachin Shah, Portfolio Holder for Finance and Major Contracts
<b>Exempt:</b>	No
<b>Decision subject to Call-in:</b>	Yes
<b>Wards affected:</b>	All wards
<b>Enclosures:</b>	Appendix 1: VCS Consultation Final report Appendix 2 EQIA VCS Funding

## **Section 1 – Summary and Recommendations**

This report sets out options for Members for the future funding of services from the Voluntary & Community Sector through the Adults Social Care budget, the Council's Discretionary Grant Fund and for community festivals.

### **Recommendations:**

Cabinet is requested to:

1. Approve a reduction in funding to the Voluntary Sector from the Adult Social Care budget as outlined in paragraph 2.2 Option B below
2. Approve a reduction in the funding of Discretionary Grants as outlined in paragraph 2.2 Option C below
3. Approve a reduction in the funding of Community Festivals as outlined in paragraph 2.2 Option D below
4. Authorise the Corporate Director Community Health & Wellbeing in consultation with the Portfolio Holders for Adult Social Care and Community & Culture & Resident Engagement and Finance and Major Contracts to:
  - Implement the recommendations as outlined in paragraphs 2.2 Options B, C and D and including agreeing how the reduction outlined in Option B will be allocated according outlined in this report
  - In conjunction with the Section 151 officer to identify corporate contingencies to cover the period of April –June 2015 as outlined in paragraph 2.2 Option B and C

### **Reason:**

The Council has to make significant budget cuts across all services in 2015-16 and beyond. The Medium Term Savings Strategy identifies a budget reduction of £0.550m from services commissioned by the Council from the Voluntary Sector and the deletion of £0k for community festivals. Options have been developed for Members to consider.

## **Section 2 – Report**

### **1. Introductory paragraph**

Harrow Council is facing significant funding challenges over the next four years as a result of reductions in public sector funding and has to reduce its budget by a total of £83million by 2018. Harrow Council commissions services from the Voluntary and Community Sector to support residents in the borough. The total value of the services commissioned from the Voluntary and Community Sector in Harrow in 2014-15 is £5.5million. This report outlines the outcome of consultation on the reduction of £0.550m from Adult Social Care and Discretionary Grants budgets and the deletion of community festivals support of £30k from 2015-16 with options for Members to consider.

### **2. Options considered**

2.1 Engagement and consultation with the voluntary and community sector and their service users on the proposals to reduce the total amount spent with the Voluntary and Community Sector by £0.550m and by £40k in 2015-16 for community festivals began in November 2014 and the consultation survey launched in January 2015.

The specific proposals were as follows:

- A reduction of £270k to the Council's discretionary grant funding budget of £0.6m. This includes both the three-year Outcomes Based Grants (OBG) and annual Small Grant programmes (representing 45% of the total budget).
- A reduction of £280k from the Adults Social care budget of £1.079m that supports the delivery of services to older people and people with disabilities (representing 26% of the total budget).
- To delete the budget for Community Festivals of £40k

Some of the headline results from organisations were as follows (Appendix 1):

#### *i) Funding reduction*

##### *VCS Organisations*

87% strongly opposed or did not support the decision to reduce funding to the voluntary sector by £0.550m in the next financial year. 3.5% were willing to consider. 7% support or strongly support.

##### *Service Users*

78% strongly oppose or do not support the decision to reduce funding to the voluntary sector by £0.550m in the next financial year 2015/16. 12.7% were willing to consider, 5% support or strongly support

#### *ii) Discretionary Grants*

##### *VCS Organisations*

79% strongly opposed or did not support reducing the budget by £270k, not running a small grants programme and allocating funding for six months to OBG funded projects at their current level. 12.8% were willing to consider, 3.5% supported or strongly supported.

*iii) Protecting services from cuts*

*VCS Organisations*

57% felt that there should be some aspects of council funding that should be protected. 37% felt that there should not be aspects of council funding protected

*Service Users*

82% felt there should be some services protected from cuts

16% felt that there should not be any services protected from cuts. The types of services that users felt should be protected were Age UK, CAB, services for elderly people, services for youth, vulnerable people and carers.

*iv) Adult Social Care funding*

*VCS organisations*

24% strongly opposed or did not support combining the delivery of all services funded by Adult social services in to a single agreement. 39.5% were willing to consider, 31% supported or strongly supported

*Service Users*

40% strongly disagree or disagree with the idea of combining Adult services and inviting applications from either a single or group of organisations working together to deliver these. 26.5% were willing to consider. 22% agree or strongly agree

*v) Short-term investment in the sector*

*VCS Organisations*

29% strongly opposed or do not support the suggestion that with some short-term investment in the voluntary sector if could rely less on Council funding in the future. 37% were willing to consider. 22% support or strongly supported this.

*vi) Community Festivals*

*VCS Organisations*

19% opposed or do not support ceasing funding to community festivals 44% were willing to consider, 25% supported or strongly supported.

*Service Users*

36% strongly oppose or do not support stopping funding to community groups to organise festivals. 26.5% are willing to consider. 29% support or strongly support

2.2 A number of options have been identified for Members:

*Option A) Status Quo*

87% of organisations and 78% of service users strongly opposed or do not support the decision to reduce funding to the voluntary sector by £0.550m in the next financial year. 19% of organisations and 36% of service users opposed or do not support ceasing funding to community festivals. The Council could decide not to implement funding cuts as outlined in the proposals. However, that would not deliver the MTFs budget reduction proposals for 2015-16 onwards. If reductions are not made from reviewing funding to voluntary organisations they would then need to come from elsewhere within the Council's budget. Harrow Council has a low level of financial reserves compared to other Local Authorities (approximately £10 million), insufficient to offset the reduction in the Council's budget on an

ongoing basis. Further detail of the Council's budget were set out in the report to Cabinet in February 2015.

*This option is not recommended.*

#### *Option B) Adult Social Care*

Consultation results are outlined in paragraph 10 but some of the common themes that emerged were as follows:

- Combining Service Level Agreements (SLAs) in to a single SLA that could be delivered by a consortium of organisations.
- Voluntary sector organisations to look at ways they could rationalise their overheads by sharing buildings etc. thereby reducing a range of costs.
- A review of core funding and costs
- Encourage enterprise and innovation within the voluntary sector and innovation and co-production of services that meet community needs
- Protect the smaller organisations who are more vulnerable to any cut in funding

Taking these into account it is recommended that the reductions of £280k are implemented by applying the following principles to shape the reductions:

- 1) Care Act services of £379k to be protected
- 2) Rationalisation to reduce costs such as the sharing of accommodation where possible
- 3) A consistent approach to the allocation of VCS core funding.

In addition, it is proposed to allow an extension of the existing Service Level Agreements (which would be due to end 31st March 2015) for the period April – June 2015 to allow for the implementation of the recommendations.

If the recommendations are agreed by Cabinet, the next stage would be further engagement on the detail of the implementation of the reductions that need to be made. This engagement is expected to take place the week following the Cabinet decision. The process for the tender of the Care Act services £379,000 will run concurrent to this exercise. The department will look to work in co-production with the Voluntary sector to develop through a new framework to meet the requirements of the Care Act. It will move quickly and minimise the timescales to implement these new arrangements as follows:

#### *Building Community Capacity*

##### *MyCeP Community Project*

Adult Social Services have looked to identify ways of building community capacity. Where possible, options to transfer services to the voluntary sector have been developed as in many instances the voluntary and community sectors can provide them more cheaply. Harrow's Voluntary Sector have already shown that they understand this and organisations such as Harrow Mencap have successfully developed a range of new and innovative solutions that meet the needs of the most vulnerable and can be purchased using a Personal Budget.

Based on this ground-breaking work, Harrow Adult Social Services will launch a new scheme, based on its successful My Community ePurse solution, in April 2015 to support the further development of Community Capacity. The department will make a commitment to work closely with key organisations to develop new services that can be offered to Personal Budget holders.

The department will provide direct help to voluntary sector providers so that they can meet the challenges in relation to personalised services and market themselves successfully to service users and carers. We will ensure that commissioners set out requirements when they commission services that play to these organisations' distinctive qualities.

#### *Care Act*

Under the Care Act there will be significant opportunities for the voluntary organisations providing care and preventative services to expand their operations, as there will be new markets and potentially more people with personal budgets to sell services to.

Harrow is likely to have a significant number of self-funders and carers. This will generate spend and is a real opportunity for the sector.

The Council will work closely with the Voluntary Sector to provide market intelligence to know where demand is growing and thus to inform business planning.

**This option is recommended. It should be noted that this option will deliver £280k budget reduction in a full year. However, in recognition of the outcome of the consultation process and in order to give transition support and appropriate notice of funding reductions, SLAs will be extended at 2014-15 funding levels for the period April-June 2015. This results in a shortfall in the saving in the saving in 2015-16 but, if approved, these costs will be met from the MTFs Implementation Fund (one-off implementation costs).**

#### *Option C) Discretionary Grants*

The proposal to reduce the grants budget of £0.6m by £270k represents 45% of the total annual budget. Options considered for reducing the budget in the consultation were to:

- i) Reduce only the OBG element of the budget and running a small grants programme
- ii) Not run a Small Grants programme and allocating the remaining budget to OBG funded projects
- iii) Not run a Small Grants programme and allocating funding for six months to OBG funded projects at their current level.

The key results from the consultation exercise were not to award OBG funding at the expense of the Small Grants and that both areas should be reviewed but delivered. In addition, to apply any funding scenario over a twelve month period (as opposed to awarding full funding for OBGs for six months only, for example).

All OBG and infrastructure SLAs would be due to cease at the 31<sup>st</sup> March 2016 and a Small Grants award process has not yet been implemented for 2015-16 pending the outcome of the consultation and Members' decision on the funding for the Voluntary and Community Sector.

It is recommended that OBGs are renewed for 2015-16 as follows:

- A notice period of April –June 2015 for the proposed changes, in line with SLA requirements and requests from the VCS. That means 100% of SLA quarterly funding for April-June 2015 only to be awarded to Outcome Based Grant (OBGs) recipients in order for organisations to prepare for a reduction in grant funding from July 2015 – March 2016. This funding to be from one-off corporate contingencies
- OBGs for July 2015 – March 2016 to be awarded at 46% of the total annual amount awarded for their SLAs.
- The ring-fenced grant of £75k to remain to fund infrastructure services to deliver ongoing support to voluntary and community organisations through the existing SLA with Harrow Community Action (see para. 3.4)
- A Small Grants process to be conducted in Spring 2015 for award to begin by July 2015 at a budget of £75k (a reduction of 16% of the Small Grants budget) with a maximum award of £4k. This will help to support smaller organisations in the borough.
- OBG not to be renewed for one organisation which has not been able to deliver since October 2014 and these funds to be redistributed as part of the above

Although the full-year reduction in the discretionary grants budget is 45%, by applying these principles in 2015-16, the total reduction in budget for all OBG recipients will be 30% and infrastructure services will not receive a reduction so that vital support in grant funding applications etc. can continue to be delivered. Over the three year cycle of the OBGs (April 2013- March 2016) organisations will have received 90% of the funding originally identified.

The Small Grants budget will reduce by 16% with a ceiling of £4k per organisation. In addition, from 2015-16, the criteria and application process for the Edward Harvist Trust will be amended to simplify and speed up the process and allow for one-off revenue grants as well as capital (see paragraph 3.4).

From 2016-17 onwards, it is recommended that officers work with Voluntary and Community Sector organisations to identify principles for the application of the Discretionary Grants budget with a view to bring a proposal to Cabinet as part of the budget setting processes.

**This option is recommended. It should be noted that this option will deliver £270k budget reduction in a full year. However, in recognition of the outcome of the consultation process and in order to give transition support and appropriate notice of funding reductions, SLAs will be renewed at 2014-15 funding levels for the period April-June 2015. This results in a shortfall in the saving in the saving in 2015-16 but, if approved, these costs will be met as a one-off from the MTFS Implementation Fund.**

### *Option D) Community Festivals*

The majority of VCS organisations were in favour of deleting the community festivals budget but the majority of service users were not. It is community organisations that in the main deliver these festivals, funded by the Council. However, the Council recognises the benefits that festivals and celebrations contribute to community cohesion in the borough. Therefore, it is recommended that £10k is retained for the delivery of 10 community festivals at £1k each (excluding Under 1 Sky and Black History Month). In addition, there is the potential for communities to deliver their own events and several organisations have indicated that it would be possible to raise funds from within the community to do so.

This will reduce the total community festivals budget by £30k. It is recommended that Harrow Council works with voluntary and community partners to identify ways to deliver a programme of festivals by the community with the £10k.

**This option is recommended. It should be noted that this will reduce the budget cut by £10k to £30k.**

## **3. Background**

3.1 The Council commissions services to the value of £5.5 million from voluntary and community sector organisations, such as support for children and families, vulnerable adults, advice and advocacy services, domestic violence services, environmental, sports & leisure services and others. The total funding to voluntary sector organisations includes ring-fenced elements such as the Housing Revenue Account (HRA) and the Public Health Grant. Funding includes discretionary spend such as the Council's grants programme and statutory spend on services which the Council has a duty in law to provide. Any proposed saving would need to be made from the Council's revenue budget excluding 'ring-fenced' or statutory elements.

3.2. The table below provides information on the amount of spend by each Council department with voluntary organisations in 2014-2015. Organisations may be commissioned to provide services by more than one department so the numbers of organisations funded are not exclusive.

<b>Department</b>	<b>Funding</b>	<b>No. Orgs Funded</b>
Children and Families	£824,750	12
Community and Culture	£600,000	39
Adults	£1,274,430	20
Resources	£720,000	12
<b>Total from above</b>	<b>£3,419,180</b>	
Housing (HRA)	26,000	1
Health (Public Health)	2,316,440	6
<b>Total</b>	<b>£5,761,620</b>	



### 3.3 Adult Social Care

Adult Social Care has a voluntary sector budget 2014/15 of £1.079m. This budget supports delivery of a range of services that aim to meet the needs of the community. The current service level agreements with the voluntary sector will end on 31 March 2015. Care Act changes, which will be implemented from 1 April 2015, place the protection of carers, advocacy and information and advice services on an enhanced footing. The Council's allocation for these areas is £379k from the £1.079 million..

The total budget currently supports the following 19 organisations:

Name of organisation
1. Age UK Harrow
2. Alzheimers Concern
3. Asian Mens' & Women's Group
4. DAWN Yakeen
5. Discussion Group
6. Harrow Association of Disabled People (HAD)
7. Harrow Blind club
8. Harrow Carers
9. Harrow Citizens Advice Bureau (CAB)
10. Harrow Mencap
11. Hillingdon Aids Response Trust
12. Jewish Care
13. Middlesex Association for the Blind
14. MIND in Harrow
15. National Autistic Society
16. Rethink
17. Tanglewood
18. Vitalise
19. Voiceability

### 3.4 Discretionary Grants

In February 2013, Harrow Council approved that the discretionary grant budget of £0.6m should fund an Outcomes Based Grants (OBG) and an annual Small Grants programme from 2013-14 and that £75k would be ring-fenced from the grants budget to fund the commissioning of an infrastructure support service for the Third Sector. The maximum OBG grant that could be applied for was £40k and the maximum annual Small Grant was £5k. The OBG award to successful applicants is made for a period of three years from 2013/14 to 2015/16 inclusive, subject to delivery of the Service Level Agreement and also subject to an annual confirmation according to the Council's financial situation through the budget setting process.

In 2013-14:

- 27 organisations received small grants (including one who also received an OBG)
- In February 2014, the award of £75k was made to Harrow Community Action for the delivery of infrastructure services to the Third Sector such as funding support, training, governance support, volunteer support etc.
- 15 organisations were awarded OBGs (see table below)

No.	Organisation	Project/Service
1	ADHD & Autism Support Harrow	The Transitions Project: working with children and young people with ADHD and autism during transition periods in their life.
2	Age UK Harrow	Sustainable Services Project: Providing health, social and educational activities for older residents.
3	EACH Counselling and Support	Trauma, Violence and Abuse Counselling and Support for Somali, Tamil and South Asian communities
4	Harrow Association of Disabled people	Overcoming barriers of poverty and exclusion: welfare benefits advice and support with accessing employment.
5	Harrow Churches Housing Association (HCHA)	Reducing worklessness and homelessness amongst Young People (under 25's) in Harrow.
6	Harrow Citizens Advice Bureau	Telephone Advice Line: providing a telephone advice service on a range of issues.
7	Harrow Law Centre	Harrow Law Centre: providing legal advice and case work.
8	Harrow Shopmobility	Continued provision of service which includes loans of wheelchairs, scooters and other mobility aids to support disabled or elderly to shop in Harrow town centre..
9	Ignite Trust	Expression Youth Community: provides youth activities, youth work and mentoring.
10	Mind in Harrow	Harrow Mental Health Information Service: Telephone and face to face advice and information.
11	Relate London North West	Emotional Support for Individuals and Families towards a Fulfilling Life: relationship counselling for couples and families.
12	Roxeth Youth Zone (RYZ)	The SPACE Project: Youth activities, support and mentoring for young women and girls.
13	South Harrow Christian Fellowship	Supporting the Elderly; provision of luncheon club, weekly coffee mornings and social activities
14	St Luke's Hospice (Harrow and Brent)	The continued expansion and development of St Luke's Hospice at Home service for the residents of Harrow
15	The WISH Centre	Sexual Violence Prevention, Advocacy and Support Service

In 2014-15:

- 15 OBGs were renewed
- 25 organisations received Small Grants (including two who also received OBGs)

- The SLA for infrastructure services was renewed.

### **3.4 Other Voluntary Sector Support**

#### **Direct support**

Harrow Council directly provides support through the Community Sector Support team who send regular e-newsletter highlighting funding and training opportunities and hold funding workshops with major funders such as the Lyons Den events with John Lyons Charity. In addition, the council provides accommodation at reduced rates such as at The Lodge, Pinner Road (managed by the Council) or reductions on venue hire at Harrow Arts Centre, the Civic Centre etc.

In addition, through the Community Clicks project, £450,000 has been awarded to a partnership of voluntary and community sector organisations for a period of three years commencing 2014-15. This is in addition to the total spend above.

#### **Infrastructure Support Services**

Harrow Council funds Harrow Community Action to deliver support to voluntary and community sector organisations in the borough. The SLA commenced in February 2014 at £75kpa and to date has delivered, for example:

- Over 350 volunteers placed in volunteering opportunities
- 19 organisations supported on a one-one basis to access external funding
- £15,245 external funding secured and a further £328.5k awaiting outcome
- 9 funding cafes have been held, monthly e-newsletters sent out and 10 organisations have received specific outcome based training in fundraising
- 7 consortium based action plans have been developed with organisations including one cross sector plan for volunteer development, three new partnership projects with businesses and three new Public Sector Partnerships.

#### **Other funding streams**

In addition, Harrow Council administers the Edward Harvist Trust (EHT) Fund on an annual basis. In 2014-15 there is £28k to allocate to organisations. Although this was not part of the consultation, in response to concerns from the Edward Harvist Trust on the speed of grant allocation and the level of awards (not just in Harrow but across all EHT boroughs), from 2015-16, the principles for award will be amended as follows (to align with the requirements for the Small Grants Programme):

- Maximum grant that can be applied for will be increased from £1.5k to £2k.
- Applications can be made for either one-off capital or one-off revenue grants.
- Successful applicants to provide supporting documents within three weeks of notification of the successful outcome of their application (rather than with the application as at present).

- Organisations that have been operating for 18 months or less to provide a 12 month financial forecast.

The aim of the proposed amendments is to encourage the submission of more successful applications which in turn will meet EHT requirements for the timely distribution of funds.

3.4 Harrow Council funds 10 community festivals, Black History Month and the annual Under One Sky festival. Most of the festivals are delivered by local organisations or faith groups supported by Harrow Council. Under 1 Sky is delivered directly by the Council. The aim of the community festival programme is to promote community cohesion by encouraging all residents to participate in a range of events. Around 9-10,000 people a year attend the various festivals.

The festivals supported are as follows:

<b>Festival</b>	<b>Budget £s</b>
Vaisakhi	1,000
St. George's Day	1,000
Eid-ul-Adha	1,000
Diwali	1,000
National Inter Faith Week	1,000
Chanukah	1,000
Christmas	1,000
New Years Day Parade	1,000
Holocaust Memorial Day	1,000
Thai Pongal	1,000
Under 1 Sky	25,000
Black History Month	5,000
Total	40,000

## **4. Why a change is needed**

5.1 Harrow Council is planning to make budget reductions of approximately £25 million in 2015-2016 as a result of reduced government funding. In order to achieve this, all Council departments are required to make budget reductions. If reductions are not made from reviewing funding to voluntary and community organisations, this level of saving would have to be identified from elsewhere within the Council's budget. Harrow Council has included an increase of Council Tax within its MTFs for 2015-16 onwards. Harrow Council has a low level of financial reserves compared to other Local Authorities (approximately £10 million), insufficient to offset the reduction in the Council's budget on an ongoing basis.

## **5. Implications of the Recommendation**

### ***Considerations***

The only other Council MTFs proposal likely to impact the voluntary sector in 2015-16 is the re-tendering of Healthwatch Service (£80k saving). This

retendering exercise will be carried out in the Spring of 2015. The impact of this is not yet known.

The total amount that is being reduced from the Adult Social care budget is about £4.7m which includes reductions in management costs and efficiencies.

### **Resources, costs**

Over 200 officer hours in total were spent undertaking the consultation and engagement process this year. Officers will undertake the implementation of the recommendations within existing resources. However, a total of £97,743 for discretionary grants and £58,445 for Adult Social care will need to be found to resource the period April – June 2015 from corporate contingencies.

### **Environmental Implications**

There are no Environmental impacts from the recommendations contained within this report.

## **6. Risk Management Implications**

Risk included on Directorate risk register? No.

The risks identified are as follows:

i) *Risk of legal challenge which will delay the delivery of recommendations in this report.* There has been a full consultation process on the proposals and the options for Members include consideration of the consultation results as well as incorporating suggestions from the consultation process such as continuing to support smaller organisations. In addition, there has been a full Equalities Impact Assessment (EQIA) process which has included members of the Voluntary and Community Sector. The impacts of these proposals have been outlined in paragraph 10 below. Where possible, mitigations have been identified and incorporated into the recommendations before Members.

ii) *Risk of reducing preventative services delivered by the voluntary and community sector, thereby increasing numbers of service users presenting with statutory needs.* The Council will monitor the impact of this as part of its bi-annual monitoring process and bring information back to Members.

iii) *Risk of inequality of impact of budget reductions across organisations.* Some organisations may be more heavily impacted than others. In order to mitigate against this, principles for delivering the recommendations have been identified (paragraph 2.2 options B and C) in order to ensure consistency of approach to delivering the recommendations.

## **7. Legal Implications**

7.1 Adult Social Care is a statutory service. From 1st April 2015 the current wide range of legislation that applies to Adult Social Care is being drawn together and consolidated under the Care Act 2014. It is intended and expected that the council will still meet its core statutory duties if these budget reductions are implemented.

7.2 The Council may distribute grants in accordance with its agreed criteria. Due weight must be given in terms of equalities duties, procedural fairness and the statement of intention of the Compact with the voluntary and community sector.

7.3 Outcome Based Grants SLAs were awarded for a three year period beginning 2013-14 with an annual confirmation of funding subject to the Council's annual budget setting processes.

7.4 The Council has a standard Service Level Agreement for services with the Voluntary and Community Sector. Paragraph 3 of the Service Level Agreement states:

*3.2 The Council and the Organisation will review this Agreement annually and may by written agreement at any time extend the Term of this Agreement for a further period.*

Paragraph 5 of the SLA states:

*5.6 Financial assistance given by the Council in one Financial Year does not commit the Council to give, nor entitle the Organisation to receive funding from the Council in subsequent Financial Years. If the Organisation requires further financial assistance at the end of this Agreement, it will need to re-apply to the Council for Funding.*

Equality implications are addressed in paragraph 9 of this report.

7.5 When making policy decisions, particularly those resulting in a reduction of funding, the Council must take into account all relevant material, including financial resources, consultation responses and potential equality impacts in order to reach a decision. This report presents options and the financial implications of these and makes a recommendation. However, this does not preclude Cabinet from recommending that another option is the most appropriate way forward. Whilst the overall budget has been set by full Council, individual service decisions are a matter for Cabinet.

7.6 The Council has consulted on the proposals set out in this report. A summary of the details of the consultation responses are set out in the report and attached as an appendix. Case law has confirmed that when determining whether to change policy, the Council must be receptive to reasonable arguments against the proposals, however this does not simply involve a head count of those for and against the proposals. In the case of withdrawal of support, it will not be surprising if a number of respondents are against the proposal. The Council must take these views into account and must balance this with other relevant information to decide whether to recommend an option.

## 8. Financial Implications

8.1 The annual revenue budget for Adult Social Care voluntary sector is £1.079 million. For Adult Social Care, outcomes are delivered through annually renewed Service Level Agreements. The budget is broken down as follows:

- i. £379k is ring-fenced to fund statutory services required under the Care Act (2014)
- ii. £0.7m commissions a range of preventative outcomes for vulnerable adults across a range of service providers.

8.2 The annual revenue budget for discretionary grants £0.6m which is delivered as follows:

- i. £75k ring-fenced to supply infrastructure services for the voluntary and community sector
- ii. £89k for an annual Small Grants programme
- iii. £436k for an Outcomes Based Grants programme (for three years beginning 2013-14)

8.3 Community Festivals revenue budget for 2014-15 is £40k. This funds 10 community festivals at £1k each, Black History Month at £5k and Under 1 Sky budget is £25k. In 2014-15, an additional £10k was identified for the delivery of Under 1 Sky as a one-off.

8.4 The total budget reduction identified in the MTFs of £0.550m has been allocated across the Directorate as follows:

- A reduction of £280k from Adult Social care voluntary sector provision
- A reduction of £270k from the discretionary grants provision
- Reducing the funding for Community Festivals (£40k annual budget)

8.5 The allocation of budget reductions will ensure:

- i) Statutory services required under the Care Act (2014) will be commissioned at the existing levels (£379k)
- ii) VCS infrastructure services provided through the discretionary grants will be commissioned at the existing level and through the existing SLA (£75k)
- iii) An annual Small Grants process will be undertaken for 2015/16 with grants to commence in July 2015.
- iv) All SLAs require 3 months notice and a commitment has been given to this being funded at 100% of the expected level for April – June 2015.
- v) £10k will be allocated to deliver 10 small community festivals in the borough.

8.6 Therefore the total budget reductions proposed in this report total £219k from Community, Health & Wellbeing budgets with funding through the MTFs Implementation Fund of £331k to cover the implementation costs of the notice

period for SLAs (April-June 2015) with full year effect from 2016-17 plus the addition of £10k for community festivals. Subject to the Council's budget setting processes for 2016-17 onwards, the full year impact will be as follows: Adult Social Care voluntary sector budget is indicated to be £0.799m; and for discretionary grants, £330k. There is no impact on capital funding associated with the MTFS budget reductions proposal.

## **9. Equalities implications / Public Sector Equality Duty**

9.1 A full consultation process was conducted with VCS organisations and service users over the period 25th November 2014 to 20th February 2015. Appendix 1 outlines the top-line results. The consultation was launched with a consultation and engagement meeting attended by 50 VCS representatives. A second consultation meeting was held on 3rd February attended by nine representatives.

9.2 Specific web pages relating to the consultation were created on the Council website and an online web survey was launched on 6th January 2015. Information about the survey was circulated to email contacts held by the Council and by Harrow Community Action (HCA).

9.3 A separate service user survey was also developed and was available to complete on-line and in hard copy format. An easy read version of the service user survey was developed and made available to service users. Hard copies of the service user survey were circulated to Children's Centres, Neighbourhood Resource Centres (NRCs), Access Harrow, Libraries and voluntary organisations.

9.4 Consultation drop-in events were organised for VCS service users to offer service users the opportunity to give their views verbally and be assisted in completing the survey as follows:

- Access Harrow, Harrow Civic Centre
- Flash Musicals, Methuen Road, Edgware
- Harrow CAB, Milton Road, Harrow
- Mind in Harrow service users at Harrow Civic Centre
- Harrow Mencap service users
- Byron Park NRC service users
- Red Brick Café, Wealdstone
- Carramea Community Resource Centre, South Harrow
- Harrow Carers service users
- South Harrow Christian Fellowship

9.5 Meetings were held with representatives of VCS organisations and the Director of Adult Social Services. Individual meetings were also held with organisations including Mind in Harrow, Age UK, HAD, Harrow Carers etc. The consultation deadline was extended in response to concerns that service users did not have sufficient time to complete the survey and consider the additional information on potential duplication of services. The Council received 86 survey responses from organisations, 457 from service users and



in addition, 5 formal response letters were received and a petition presented to Full Council on 26<sup>th</sup> February.

9.6 The Executive must have due regard to the public sector equality duty when considering Council reports for decision.

The Council must, in the exercise of its functions, have due regard to the need to:

- (a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by the Equality Act;
- (b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;
- (c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

The relevant protected characteristics are:

- (a) age (including carers of young/older people)
- (b) disability (including carers of disabled people)
- (c) gender reassignment
- (d) marriage/civil partnership
- (e) pregnancy and maternity
- (f) race
- (g) religion or belief
- (h) sex/gender
- (i) sexual orientation.

9.7 An EqIA Sub Group was established. Two meetings of the EqIA sub-group were held and attended by 12 VCS representatives. The following impacts have been identified:

*Age (including carers of young/older people)*

13% of the organisations responding to the consultation stated that they provided services to people in this group. Nine of the currently funded organisations provide services specifically targeting this group reaching approximately 5,279 users. People in this group are also likely to use many of the other funded services. These organisations and some service users are likely to be affected by the proposals as these organisations may receive reduced levels of funding in 2015/16 to deliver services.

The following measures have been identified to mitigate this impact:

- £379k of the Adult Social care budget will be ring-fenced to deliver Care Act services which will include services for older people.
- Support to seek alternative sources of funding including support to develop services that generate income through personal budgets.
- Identification of opportunities for in-kind support to organisations' to help reduce costs.
- Identification of opportunities to support the reduction of overhead costs.

### *Disability (including carers of disabled people)*

16% of the organisations responding to the survey stated that they provided services to disabled people. 16 of the currently funded organisations provide specific services for this group reaching approximately 13,762 users. People from this group are also likely to use many of the other funded services. Organisations serving this group and some service users are likely to be affected by the proposals they may receive reduced levels of funding in 2015/16 to deliver services

The following measures have been identified to mitigate this impact:

- £379k of the Adult Social care budget will be ring-fenced to deliver Care Act services which will include services for disabled people.
- Support to seek alternative sources of funding including support to develop services that generate income through personal budgets.
- Identification of opportunities for in-kind support to organisations' to help reduce costs.
- Identification of opportunities to support the reduction of overhead costs.

### *Race*

11% of the VCS organisations responding to the survey stated that they provide services to this group. Of the currently funded organisations 13 are providing services specifically targeting this group serving approximately 3,344 people. Nine of these organisations are funded from the Small Grants programme. People from this group are also likely to be using other funded services. Organisations and people in this group are likely to be affected by the recommendations as they may receive reduced funding levels in 2015-16.

The following measures have been identified to mitigate this impact:

- The recommendations are to continue to deliver a Small Grants programme with funding for July 2015 to March 2016.
- Commissioned services will be expected to ensure that their services are accessible to all groups. This will be monitored as part of the council's regular monitoring processes.

### *Religion or Belief*

9% of the VCS organisations responding to the survey stated that they provide services to this group. Of the currently funded organisations one provides specific services to this group reaching 14 people. Organisations and people in this group are likely to be affected by the recommendations as they may receive reduced funding levels in 2015-16.

The following measures have been identified to mitigate this impact:

- Commissioned services will be expected to ensure that their services are accessible to all groups. However, some organisations may be providing specialist services not available from other service providers. This will be monitored as part of the council's regular monitoring processes.

- The recommendations are to continue to deliver a Small Grants programme with funding for July 2015 to March 2016.

### Sex

9% of the VCS organisations responding to the survey stated that they provide services to this group. Two of the currently funded organisations are providing services specifically targeted at this group reaching approximately 77 people. Organisations and people in this group are likely to be affected by the recommendations as they may receive reduced funding levels in 2015-16.

The following measures have been identified to mitigate this impact:

- Commissioned services will be expected to ensure that their services are accessible to all groups. However, some organisations may be providing specialist services not available from other service providers. This will be monitored as part of the council's regular monitoring processes.

9.7 In addition, the Council has identified a reduction in the budget cut for community festivals in order to fund 10 community festivals at £1,000 each. This is intended to promote community cohesion amongst all protected groups.

9.8 As a result of other Council budget proposals and reductions to funding in previous years there is potential for a cumulative adverse impact on those protected characteristics. Other budget proposals affecting services such as Children's Centres, libraries etc. and the impact of national government policy such as welfare reform could have an impact on individuals/service users which affects their financial well-being and health. In answer to the question 'If you receive funding from any other Department please list which, the amount of funding received and services provided within this funding' only 12% of organisations responded with few details. The total funding available to organisations includes other sources than Harrow Council. It is not possible to quantify this as, for example, this might be through other funding agreements with unknown end dates. Therefore it is difficult for the Council to fully assess the impact on service users.

## 11. Council Priorities

The Council's vision:

### **Working Together to Make a Difference for Harrow**

Please identify how the report incorporates the administration's priorities.

- **Making a difference for the vulnerable**  
This report outlines a reduction in budgets for services from the Voluntary Sector. However, it recommends that £379k of the Adult Social care budget will be ring-fenced to deliver Care Act services which will include services for older people.

- Making a difference for communities
- Other mitigations include retaining £10,000 to support a programme for small community festivals.

### Section 3 - Statutory Officer Clearance

Name: Donna Edwards	<input checked="" type="checkbox"/>	on behalf of the Chief Financial Officer
Date: 10 March 2015		
Name: Lanna Childs	<input checked="" type="checkbox"/>	on behalf of the Monitoring Officer
Date: 11 March 2015		

<b>Ward Councillors notified:</b>	<b>NO as it impacts on all Wards</b>
<b>EqIA carried out:</b>	<b>YES</b>
<b>EqIA cleared by:</b>	EqIA Quality Assurance Group

### Section 4 - Contact Details and Background Papers

**Contact:** Marianne Locke Divisonal Director Community & Culture 020 8736 6530 x6530 marianne.locke@harrow.gov.uk

**Background Papers:** None.

**Call-In Waived by the  
Chairman of Overview  
and Scrutiny  
Committee**

**NOT APPLICABLE**

*[Call-in applies]*