

Extract from Cabinet Minutes – 5th December

34

REVIEW OF THE THREE YEAR GRANT FUNDING PROGRAMME TO ACHIEVE SAVINGS

At the Council meeting on the 26th January 2011, as part of a package of savings identified within the Service Prioritisation programme, it was agreed that the budgets for the provision of voluntary sector grants would be reduced by £280,740, approximately 23% of the overall budget, for the financial year 2012/13. This was necessary in view of the Council's challenging overall savings target of £5 million, approximately 30% of its annual budget.

A consultation process had been undertaken during summer 2011 with all 14 of the grant funded organisations that would be affected by this decision. Officers had subsequently analysed the information received and undertaken equality impact analyses and performance assessments. Cabinet received a report on the results of that work and recommendations for consideration that would significantly achieve the target funding reduction figure.

In all cases where savings had been identified by organisations these had been accepted. In addition, the recommendations included a complete withdrawal of grant aid from three organisations, a 50% reduction in funding to a further one and smaller % savings from organisations where officers had identified capacity to achieve them. The recommendations were still £20,000 short of the overall saving target but officers were of the opinion that any further reductions at this time would not be sustainable.

The Mayor introduced the report by saying that these were significant and controversial decisions. It was not, however, a case of "slash and burn" or "salami slicing". There were many worthy organisations in Watford, most of which did not receive funding but were self sufficient and able to raise funds themselves.

The process followed had been very thorough with affected groups being given 12 months notice and the opportunity to talk to officers about planning for the eventuality that funding would be lost or reduced. She added that the Council had to be clear about why it funded one group and not another and that no organisation could be guaranteed a grant for life. She invited the Head of Community Services to outline the proposals.

The Head of Community Services explained the context of the decisions being proposed and the need to make savings of £5 million over the next four years. The Council was currently in the middle of a three year grant funding programme which had to be reviewed each year to see whether it could be sustained. To help mitigate the impact of the proposals every seriously affected organisation was to be offered some dedicated support from the Council funded Resilience Officer employed by the CVS to help re-examine business plans and work with them on securing more cost effective service delivery. This facility would be available for one year.

A full consultation exercise had been carried out with Groups and a good response had been received. Groups and their service users had also been given the opportunity to feed into the Equality Impact Analysis carried out as part of the process. Further discussion had also been held with affected groups in November regarding the officer recommendations. The outcomes of those discussions were tabled at the meeting.

A non Cabinet Member (Green) felt there was a need to discuss the principles of the decisions. He accepted the need to reduce budgets but asked why, if organisations had not been run well in the past, the Council had funded them previously. He also asked about other organisations, such as the Palace Theatre, which were not having grants cut. He wondered whether a reduction of 5% across the board might have been better.

The Mayor responded that the Council could have gradually reduced grants over the past three years but had chosen not to because it wanted to support the groups as long as possible. It had to be borne in mind however, that whilst Council services had seen their budgets cut, the grants budget had remained frozen.

In response to the Councillor's point about the funding of organisations who did not perform, she advised that officers had challenged failure and introduced quality checks but the responses had not always been as good as might have been hoped.

With regard to the historical funding of facilities like the Watford Palace Theatre and the Colosseum she considered that, in many ways, these types of organisations should be kept separate. The Palace Theatre was now doing far more community work than before and was reaching out to the multi cultural nature of the town.

The Executive Director – Services referred the Member to the reference in the report to the Palace Theatre as a preferred recipient. She said that the Theatre had already gone through a programme of expenditure reduction and was also a key delivery partner in the cultural renaissance of the town. The Theatre also received funding from the Arts Council which was granted partly because of the Council's current three year commitment to the Theatre. The position would be reviewed again when the current funding ceased.

She confirmed that if an organisation had performed badly or where the output had not been what was required and expected, funding had been withdrawn. In other cases, work had been done with organisations to help them achieve the quality mark. She added that it was about funding services and not about individual organisations

The Head of Community Services advised that performance assessments were looked at and comparisons made across all groups. Many were at a higher level but encouragement and support was provided where required.

She went on to explain the rationale behind the recommendations made in

Appendix B of the report. Organisations had seen the officers' scoring and rationale, been assessed and given the opportunity to give feedback on the reports in Appendix B. Some adjustments had then been made as a result.

The non Cabinet Member (Green) asked about the peppercorn rent paid by the Theatre to the Council and asked whether this point had been emphasised to the Arts Council. The Mayor confirmed that the Theatre did indeed pay a peppercorn rent which had been agreed some years ago. She stressed that this kind of rental would not happen now.

The Head of Community Services went on to explain that whilst organisations had been asked to offer savings, not all had done so resulting in a shortfall of £173,000 still to be achieved. She then referred to the tabled paper outlining feedback from organisations.

The Head of Community Services provided feedback from the organisations listed below who had offered savings which had been accepted or who had not been recommended for a saving

- Watford Council for Voluntary Services
- Citizens Advice Bureau
- Shopmobility
- RELATE
- New Hope Trust
- Watford Philharmonic
- Watford Palace Theatre

These organisations had confirmed the factual accuracy of the information provided in the reports and did not dispute the recommendations.

The Head of Community Services then provided feedback from organisations who had been recommended for a saving additional to those offered or where savings were not volunteered

- West Watford Community Association
- Homestart
- Watford Recycling and Arts Project

She advised that, after some initial feedback and clarification on the proposals including a meeting with WRAP and email exchanges and phone conversations with the others, the factual accuracy of the information provided in the reports had been confirmed and no disputing of the recommendations had been submitted.

The Head of Community Services then referred to the section in the report proposing mitigation measures where grant aid was recommended for substantial or complete withdrawal. The mitigation measures for all of the groups include dedicated time from the Resilience Officer to support organisations to re-examine their business plans and secure more cost-

effective service delivery and an opportunity to agree with the Council a variation to the use of their final quarter grant in 2011/12.

Watford Women's Centre was a well run organisation which fell into the category of a single interest group. In addition, alternative provision for some of their services was available elsewhere. The Equalities Impact Assessment had, however, highlighted the likely severe impact on women experiencing domestic violence and the grant had therefore been recommended for a reduction of 50% with the remainder of the funding used to re-commission the organisation to tailor a reduced service focussed on delivering to high risk clients to ensure that it could continue to provide a service for these women.

The Mayor added that the Women's Centre was an example of a "nice to do" rather than "must do" and was not a facility provided by most district councils. She stressed that the Council would not, however, want to renege on its commitment to support women in crisis.

A non Cabinet Member (Green) added his agreement with this statement although he did not see the Women's Centre as a single issue group and said it had to be borne in mind that women made up 50% of the population.

The Head of Community Services went on to speak about the Multi Cultural Community Centre and referred to the specific issues outlined in Appendix B to the report. She also referred to the tabled paper which gave details on its approach to delivering change. Following a meeting with the Treasurer and a Trustees Board member the Head of Community Services felt that they had a plan for change that could deliver a sustainable future for the centre.

It was also noted that £20k was to be set aside to either commission an appropriate organisation to continue to make the hall available for hire during 2012/13 or alternatively to provide support to the organisation to create a more collaborative and sustainable future for the centre by securing improvements to the building enabling better use of the facility.

The Mayor commented that she was saddened that it had taken this long for the Group to realise that it needed to change. It had not been serving the whole community and the same issues had arisen again and again. The Group also had significant reserves. Under the right leadership the whole community could benefit.

A non Cabinet Member (Green) asked about the delegated authority being requested for the Portfolio Holder in conjunction with the Head of Community Services to make subsequent decisions.

The Mayor assured the Member that the proposals outlined in the report were genuine and that there was a resource which, with the right leadership, could be used in Vicarage and West Watford more effectively.

The Head of Community Services then referred to the Watford African Caribbean Association (WACA). She explained that the organisation had

been shocked by the recommendation to cut the grant. The Chair of Trustees and Community Services Manager from WACA had met twice with the Council including a meeting with the Herts County Council Commissioning Manager regarding the funding contract for the Luncheon Club and emails had been exchanged (as tabled). The Head of Community Services had had a further meeting with the organisation the day before.

It was noted that, in order not to de-stabilise the organisation's other funding, it was recommended that £20,000 was set aside to assist the organisation to make the transition to an alternative model. Work would also be done on making them more cost effective including looking at a possible relocation and staffing levels.

The Mayor commented that Watford had become an increasingly diverse town and she had had difficult discussions with other groups. The African Caribbean Association had rent paid and funding for staff and this placed her in an uncomfortable position when the Council did not fund the majority of other cultural groups. Research demonstrated that funding could set groups against each other and should be used for projects which brought people together. She stressed, however, that it was important not to destabilise the organisation's other funding.

A non Cabinet Member (Labour) said he considered that the Watford African Caribbean Association had an important role to play in promoting social cohesion.

The Mayor responded that, with Watford's diverse community, it was not possible to justify financial support for just one group. It was not about cultural aspirations and it was important to be consistent.

A Cabinet member concurred with the Mayor's comments and said it was about taking stock and defining priorities.

The Head of Community Services spoke about the Muslim Community Project. This was a single interest group and in comparison with others its performance was low. It had had plans to raise its income but these were yet to materialise and they also held significant reserves. The Equalities Impact Analysis (EIA) had recognised that as 81% of service users were of Pakistani origin there would be a disproportionate impact on that community but this was not assessed as severe. To mitigate that impact, however, the recommendation included setting aside £30,000 of funding to commission the CAB to provide a culturally sensitive outreach service should the organisation choose not to continue its service provision.

She drew Members' attention to the papers circulated where it stated that the Project had requested that the £30,000 proposed to be set aside to commission CAB to provide additional services be instead provided to them as they would, along with their reserves, newly introduced service charges and cost cutting measures be able to continue to provide these services to the community. Officers did not agree with these proposals for the following

reasons:

- One of the reasons for the original decision was that the organisation was considered to be a “single interest group” primarily fulfilling a role supporting a specific section of the community.
- In comparison with the other organisations its’ performance had not fully attained the standard the council expected
- The organisation had adequate reserves to continue the provision of service through 2012/13 and had plans to raise income through charges and seeking sponsorship. The Council has offered the support of the Resilience Officer to assist the organisation to achieve a sustainable future which should be achievable without the injection of additional funds.

A non Cabinet Member (Green) referred to the EIA and the possible impact on women and older people, especially Muslim women who were hard to reach.

The Head of Community Services confirmed that the proposal to set aside £30,000 to commission the CAB to provide additional services to accommodate users of the Muslim Community Project would specifically include the provision of an Office of the Immigration Services Commissioner (OISC) Level 1 (basic immigration advice and services).

The Member said he wanted assurance that the CAB had the capacity and knowledge.

The Mayor responded that it was important to avoid duplication. She was confident that the Muslim Community already accessed the CAB and that there was appropriate support for vulnerable Muslim women. She could not justify spending tax payers’ money on under performing groups.

A non Cabinet member (Labour) commented that most groups were not single issue. He considered that this organisation played a valuable role and could be accessed by all women, not just Muslims. It dealt with important issues such as immigration, benefits and day to day issues such as payment of utility bills. He also spoke about targeted intervention and honour crimes. He stressed that such groups had an important role to play.

The Head of Community Service responded that victims of honour crime may not go to the Muslim Centre because of confidentiality issues within a tight knit community. She said they were more likely to go to the Women’s Centre which was why it had been agreed to continue support for them to deal with issues of violence against women. The Women’s Centre supported a high proportion of women from ethnic minority backgrounds; over a third of their users.

The Mayor endorsed these comments. She added that she did not want services to be defined by religion or ethnicity but by need. Cabinet then discussed the proposal to amalgamate the Annual and Mayor’s

Fund and reduce by 50%. The Mayor commented that it was important to retain a small pot for small community projects.

In conclusion, a Cabinet member stated that the value of organisations should not be measured by whether or not it received funding. It was about funding specific activities for the good of all sections of the community. He added that he was glad that the Council could still offer funding; one of the few District Councils still able to do so.

A non Cabinet Member (Conservative) endorsed the points made and congratulated officers on the amount of work done. He added that transparency and fairness were important.

The Mayor said she had been heartened by the organisations' responses. The three year grant funding programme was due to cease in March 2013 and there was an opportunity for a piece of scrutiny work to be done around the issue of commissioning services from the voluntary sector as the Council developed its new Commissioning Framework for 2013/14 and beyond. She endorsed the officers' proposals but added that there needed to be a degree of flexibility on how they were implemented and over what time-frame. She concluded by thanking the officers for the work they had done.

RESOLVED

1. that the officer recommendations as summarised in Appendix A of the report be agreed.
2. that the mitigating actions identified in paragraph 3.15 of the report to support those organisations whose funding is being ceased be approved.
3. that delegated authority be granted to the Portfolio Holder and Head of Community Services to make any subsequent decisions required in relation to:
 - a) the actions needed to re-commission alternative service provision where necessary;
 - b) decisions required on the use of set aside funds as identified in 3.15 of the report.
 - c) setting the eligibility criteria for the small grants programme
 - d) decisions required in relation to making reasonable adjustments to the profile of the savings targets should this become necessary during implementation.

ACTION: Head of Community Services/Portfolio Holder