

## **Voluntary Sector Grants and Commissioning Review**

### **1. Background**

- 1.0 The MTFS savings agreed by the Cabinet in September 2014 included a proposal to reduce the Council's spend within the voluntary and community sector (VCS) by £1.1 million, to be achieved from 1 April 2016 ongoing. This Appendix sets out how it is proposed that the first £866,001 of these target savings is to be achieved.
- 1.1 There remains a shortfall of £233,999 against the original target savings of £1.1 million. A further report will be put before the Cabinet later in 2016 detailing how this gap is to be bridged.

### **2 The Outcome of the Review Process**

- 2.1 The review has so far identified **£866,001** of savings.
- 2.2 It is proposed that **£43,778** of savings attributed to Learning and Achievement be carried over to the 2017/18 financial year to enable the services to manage the change process most effectively for both clients and VCS organisations. Contract periods are not currently consistently aligned across common themes. Some are based on academic years whilst others are based on financial years, for example, and various Council services currently have different contracts with the same organisations, but with different start and end dates. Slipping some of the proposed savings into "Year 2" would allow officers to address this.
- 2.3 It was agreed early in the review process that Adult Social Care (ACS) would contribute £500,000 of the £1.1 million savings target through its own review of its grants and commissioning arrangements with the voluntary and community sector. This level of savings was considered to be achievable whilst sufficiently stretching, and still recognising the significant level of increased demand being placed upon Adult Social Care services by the borough's changing demographics. The service does not yet have a definitive list of savings proposals at this stage in the process, but will be taking separate reports through the relevant processes to agree and deliver the required savings within the agreed timescale. The review of grants and commissioning arrangements with the voluntary sector within Adult Social Care and Commissioning is therefore outside the scope of this Appendix.
- 2.4 The table below identifies the percentage savings so far identified for each service area:

**Table 1 - Savings Identified by Service Area**

Directorate / Service	General Fund Spend 2015/16	Proposed Savings for 2016/17	Proposed Savings for 2017/18	Total Savings Proposed	Percentage Savings Proposed
<b>CHILDREN'S ADULTS &amp; HOUSING</b>	<b>£4,814,101</b>	<b>718,870</b>	<b>43,778</b>	<b>762,648</b>	<b>15.8%</b>
Adult Services	£3,906,888	500,000	0	500,000	12.8%
Children's Services	£500,559	182,750	0	182,750	36.5%
Learning & Achievement	£406,654	36,120	43,778	79,898	19.6%
<b>COMMUNITIES &amp; RESOURCES</b>	<b>£348,134</b>	<b>103,353</b>	<b>0</b>	<b>103,353</b>	<b>29.7%</b>
Corporate Core Funding	£323,654	98,188	0	98,188	30.3%
Culture & Leisure	£14,480	1,165	0	1,165	8.0%
Economic Development (Thames Chase Trust)	£10,000	4,000	0	4,000	40.0%
<b>Grand Total</b>	<b>£5,162,235</b>	<b>822,223</b>	<b>43,778</b>	<b>866,001</b>	<b>16.8%</b>
<b>Savings Identified</b>	<b>£866,001</b>				
<b>Residual Shortfall</b>	<b>£233,999</b>				

2.5 The project has sought to enable more effective targeting of limited and reducing resources while maintaining (as far as possible) the quality of services which meet varied needs. The detailed proposals are set out in Table 2 (below). The overall change proposals can be grouped under the following generic themes:

- Bringing together arrangements in respect of organisations receiving multiple funding from different Council departments to reduce overhead costs and Council contract monitoring time;
- Aligning contracts across departments where they have similar delivery themes, in order to reduce the total number of providers thereby reducing overhead costs and Council contract management time;
- Decommissioning duplicate services across the VCS and / or Council departments;
- Decommissioning services where they are no longer required because the needs of the client group and / or statutory duties on the Council have altered;
- Delivering services in a different way, whereby the target outcomes can be achieved more cost effectively;
- Re-configuring funding arrangements (e.g. by moving to a payment by placement model), and
- Making budget reductions where the impact is deemed minimal / manageable by that particular organisation / service.

2.6 At present, £25,778 of the proposed 2017/18 savings within Learning and Achievement have not been attributed to specific contracts, but will be achieved through various reviews of the existing

grants and commissioning arrangements within that service that remain ongoing. Such reviews will be carried out jointly with Children's Services where this makes sense and may also give rise to additional future savings proposals within Children's Services, as there are a number of organisations (e.g. First Step) that are currently funded by both services, possibly with duplication between them.

### 3 Managing Issues, Risks and other Implications

3.1 The Public Sector Equality Duty requires the Council to have due regard to the need to:

- Eliminate prohibited conduct - No such issues arise in relation to these proposals.
- Advance equality of opportunity - Any funding reductions to voluntary sector organisations providing direct services may create or worsen some inequalities of opportunity either geographically or according to the specific needs of individuals who are otherwise already disadvantaged. The impact for each client group has been assessed and appropriate action taken to mitigate against any negative impact where possible.
- Foster good relations - Engagement and consultation with potentially affected organisations has been undertaken in accordance with the voluntary sector COMPACT in order to foster and preserve good relations through what will be a challenging process.
- Have due regard to the issues arising - Where proposals are being made to reduce service provision, due regard has been given to the need to minimise or remove disadvantage as far as possible, for example by replacing the service with more efficient models of delivery or ensuring that access to a similar service is available in the community.

3.2 Each identified spending reduction has been subject to an Equalities Impact Assessment (EIA) (attached) that ensures that the Council has paid due regard to the impact of the proposals by identifying issues, risks and other implications of its implementation and mitigating these where possible.

3.3 A cumulative Equality Impact Assessment, considering the overall impact of the entire package of savings proposals, has also been completed and is also attached.

3.4 It must be recognised that the borough has relatively small marketplaces for delivering some of the services in question, especially those for disabled young people. There may, therefore, be heightened risks of provider failure and a lack of residual capacity within the market as a result of some of these proposals.

3.5 It is recognised that the changes proposed in this document may have short term implications on the Council's ability to achieve the long term vision of its Voluntary Sector Strategy, to 'ensure that communities are resilient and supported by an effective and sustainable voluntary and community sector'. As set out above, the impact has been fully assessed as part of the Equalities Impact Assessment process. It is however also recognised that the authority faces financial challenges and it is imperative that the London Borough of Havering delivers the appropriate savings and efficiencies to achieve a balanced budget for forthcoming years.

Table 2 - Breakdown of the proposed savings

SERVICE AREA	ORGANISATION	CONTRACT PURPOSE	BUDGET 2015/16	SAVINGS PROPOSED	CHANGE PROPOSALS (SEE KEY) <sup>1</sup>
LEARNING & ACHIEVEMENT	Disablement Association of Barking and Dagenham (DABD UK)	Short breaks	£44,257	£2,000	G/A
LEARNING & ACHIEVEMENT	Family Information Group (FIG)	Short breaks, summer play schemes, after school and weekend activities	£125,000	£28,000	G/A
LEARNING & ACHIEVEMENT	Lambourne End	Family Fun Days Food for Thought project	£19,244	£2,000	G
LEARNING & ACHIEVEMENT	Willows	Direct Payments budget	£7,920	£7,920	C or D (tbc)
LEARNING & ACHIEVEMENT	Attention Deficit Disorders Uniting Parents in Havering, Barking and Dagenham and Surrounding Areas (Add Up)	Support for families with children who have or are awaiting diagnosis of Attention Deficit & Hyperactivity Disorder (ADHD)	£14,200	£14,200	D
CHILDREN & YOUNG PEOPLE	Barnardo's	Young carers of adults – Assessments, fortnightly after school club, trips and outings; individual case work, family case work, and therapeutic interventions	£60,000	£22,000	B/E
CHILDREN & YOUNG PEOPLE	Carers Trust	Young carers (siblings of SEND children) – Saturday Club and Fun Fit Club	£66,902	£52,000	B/E
CHILDREN & YOUNG PEOPLE	First Step	Young carers	£9,750	£9,750	D/E

**KEY<sup>1</sup>** **A** – Bring together organisations receiving multiple funding into one contract; **B**- Align contracts with similar delivery themes to reduce costs; **C** – Decommission duplicates; **D**- Decommission because needs of clients have changed; **E**- Deliver services in house when more cost effective; **F**- Reorganise how services are delivered where statutory duty has changed; **G**- Reconfigure contracts to pay by usage; **H**- Review contract specifications to achieve savings; **I** – Make budget reductions where impact is deemed minimal/manageable.

## Appendix G

<b>SERVICE AREA</b>	<b>ORGANISATION</b>	<b>CONTRACT PURPOSE</b>	<b>BUDGET 2015/16</b>	<b>SAVINGS PROPOSED</b>	<b>CHANGE PROPOSALS (SEE KEY)<sup>1</sup></b>
<b>CHILDREN &amp; YOUNG PEOPLE</b>	Children's Society	Advocacy for Looked After Children	£60,000	£10,000	E/G
<b>CHILDREN &amp; YOUNG PEOPLE</b>	Children's Society	Advocacy and support for Missing Children and young people identified as at risk of absconding	£60,000	£30,000	E/G/C
<b>CHILDREN &amp; YOUNG PEOPLE</b>	Sycamore Trust	Information and advice on Autistic Spectrum Disorders	£18,000	£18,000	C
<b>CHILDREN &amp; YOUNG PEOPLE</b>	Relate	Counselling and therapy services for teenagers and their families	£41,000	£41,000	C
<b>POLICY &amp; PERFORMANCE</b>	This service was previously provided by HAVCO, until it closed in September 2015	Infrastructure support for the voluntary and community sector	£56,272	£56,272	D/C
<b>POLICY &amp; PERFORMANCE</b>	Citizens Advice Bureau	Debt advice, welfare benefits assessments and general legal and consumer advice	£151,930	£22,733	I/G/C
<b>POLICY &amp; PERFORMANCE</b>	Motorvations	Education and training for young people aged 13-17	£16,120	£16,120	C
<b>ECONOMIC DEVELOPMENT</b>	Thames Chase Trust	Community Forest – increase accessibility to green infrastructure.	£10,000	£4,000	I
<b>POLICY &amp; PERFORMANCE</b>	Payments to the voluntary sector	Various small ongoing underspends with the Policy and Performance budget	£3,060	£3,060	D
<b>CULTURE &amp; LEISURE</b>	Havering Arts Council	Creating marketing materials aimed at younger people	£3,750	£975	I
<b>CULTURE &amp; LEISURE</b>	Havering Sports Council	Creating marketing materials aimed at younger people	£730	£190	I

