

11/11/17



Havering
LONDON BOROUGH

Notice of executive decision by individual Cabinet member

THIS IS NOT A KEY DECISION

Subject Heading:	Grant application to the Council from HAVCO for activities previously funded from the London Borough Grant Scheme
Cabinet Member:	Councillor Roger Ramsey Councillor Andrew Curtin
CMT Lead:	Cynthia Griffin
Report Author and contact details:	Amanda Lewsey amanda.lewsey@havering.gov.uk 01708 432729
Policy context:	Havering COMPACT Review of the London Borough Grant Scheme Public Sector Equalities Scheme
Financial summary:	Havering's contribution to the London Borough Grant Scheme (LBGS) is expected to reduce in 2011/12 leaving an unallocated balance to be used in accordance with the Council priorities as agreed in the 13 July 2011 Cabinet Report. HAVCO are applying for a grant of £15,000
Forward Plan entry number:	N/A
Relevant OSC:	Towns and Communities
Is this a Strategic Decision?	No
If it is a Strategic Decision, when should this matter be reviewed?	
Is it an urgent decision? If so, please refer to the note at the end	No

The subject matter of this report deals with the following Council Objectives

Member Key Decision

Clean, safe and green borough	<input type="checkbox"/>
Excellence in education and learning	<input type="checkbox"/>
Opportunities for all through economic, social and cultural activity	<input checked="" type="checkbox"/>
Value and enhance the life of every individual	<input checked="" type="checkbox"/>
High customer satisfaction and a stable council tax	<input type="checkbox"/>

SUMMARY

To approve the grant application from HAVCO of £15,000 for the period up to 31 March 2012 from the balance of Havering's reduced contribution to the LBGS to deliver the ACE (Accounting for Community Enterprises) service which develops the financial management capacity of voluntary and community organisations.

Part A

DETAIL OF THE DECISION

London Councils administers the London Borough Grants Scheme (LBGS) on behalf of the London boroughs, commissioning and grant-funding services provided by voluntary organisations. The operation of the LBGS has been amended and, with effect from 15 August 2011, the LBGS will only fund selected high priority London-wide services. Decisions about which other voluntary sector services should be grant-funded following 15 August have been devolved to individual boroughs to decide locally. These decisions will be required urgently by organisations which have relied on the central LBGS grant to enable them to deliver services.

On the 13 July 2011, Cabinet agreed four recommendations and four interim criteria for Havering Council to adopt when considering grant applications for the period up to 31 March 2012, from organisations which have until now received funding centrally from the LBGS. The recommendations included:

- 2 *Approves the interim criteria [set out in paragraph 2.5 of the report] for considering grant applications for the period up to 31 March 2012, from organisations whose grants from the London Borough Grant Scheme will be terminated on 15 August 2011;*
- 3 *Agrees to consult immediately on the interim criteria with organisations affected by the changes who are delivering a substantial level of service in Havering, and that any responses received from the consultation should be taken into account in reaching decisions on grant applications;*

In agreeing the recommendations on 13 July 2011, Cabinet adopted the following interim criteria for considering funding applications for the period up to 31 March 2012, pending a full review as part of the Community Action project later in 2011/12, which will be reported to Members in due course. The criteria are designed to ensure that any organisations receiving grants from the Council are delivering value-for-money services, which substantially benefit Havering's community:

Havering Council will be willing to consider applications for grant funding from voluntary organisations which meet all the following criteria:

- a) the organisation is receiving grant funding from the London Borough Grant*

Member Key Decision

Scheme up until 15 August 2011;

- b) the amount requested from the Council does not exceed the amount previously received from the London Borough Grant Scheme, pro rata to the length of the grant period and the population of the boroughs served, unless there are exceptional circumstances because the viability of the service is at risk and all other criteria are met;*
- c) there is clear evidence that the organisation is delivering a service which is of substantial benefit to Havering's community, which can be delivered on the same basis as previously in terms of borough support, and that the grant awarded represents value for money in relation to that service;*
- d) the organisation is willing to enter into a funding agreement with the Council to deliver the agreed service and to ensure satisfactory performance.*

Organisations that had been identified as substantially working in Havering and those organisations who made direct contact with the London Borough of Havering were contacted by letter and asked to comment on the appropriateness of the interim criteria approved by the Cabinet, and if their organisation was eligible and wished to apply for grant funding from Havering Council to contact the Council.

Applications were received by 7 organisations;

DABD (uk)
East London CVS network
HAVCO
Motorvations
Queens Theatre
Studio 3 Arts
Toynbee Hall

Of these organisations 5 have accepted the bid criteria reported to Cabinet and submitted applications. There have, however, been comments raised by both the Queens Theatre and HAVCO on criteria (b).

The Queens consider that basing funding on a pro-rata calculation from the population of boroughs does not take account of the number of beneficiaries in each borough. For example although they currently provide an educational programme to 9 boroughs, 78% of beneficiaries are from Havering and that it is unrealistic to ask other boroughs to make a contribution pro-rata based on population when only 2.5% of beneficiaries on average come from each of those boroughs.

HAVCO have raised concerns that as the delivery of their service is dependent on retaining staff, a pro-rata reduction in funding would result in a reduction in staffing levels and make the continued delivery of the service difficult.

It is proposed, therefore, to consider carefully the potential for exceptional circumstances (as anticipated in Criteria b) in assessing grant applications.

HAVCO have applied for £15,000 to deliver a comprehensive programme of work in the borough which will be delivered on the same basis as previous terms of support under the LCBGS

HAVCO's application outlines its reasons for meeting the criteria and these have been assessed against the criteria as follows:

Member Key Decision

- a) the organisation is receiving grant funding from the London Borough Grant Scheme up until 15 August 2011

It is confirmed from HAVCO that they are receiving grant funding from LBGS up till 15 August 2011

- b) the amount requested from the Council does not exceed the amount previously received from the London Borough Grant Scheme, pro rata to the length of the grant period and the population of the boroughs served, unless there are exceptional circumstances because the viability of the service is at risk and all other criteria are met;

HAVCO are requesting £15,000 from the London Borough Of Havering. Their full year funding was £89,222 from LBGS which according to London Councils was for service provision in 5 boroughs and on that basis Havering's pro rata contribution, based on population and the length of the grant period, would be £13,125k. The amount which is being requested, therefore, exceeds the amount previously received from the London Borough Grant Scheme, pro rata to the length of the grant period and the population of the boroughs served

HAVCO have requested more than the pro rata amount in question due to their aim of retaining the staffing mix within the team which enables the project to deliver its full range of services. A cut in the needed amount would force them to make at least one member of staff redundant with the resulting loss of that skill. They currently have two qualified accountants who are mainly responsible for training course content and year end accounts (one of whom is the project manager) and two trainers. The loss of staff would have a significant impact on a wide range of voluntary organisations that may not be able to have comprehensive year end accounts and this could impact on their ability to generate income, e.g. budget preparation for external funding bids.

- c) there is clear evidence that the organisation is delivering a service which is of substantial benefit to Havering's community, which can be delivered on the same basis as previously in terms of borough support, and that the grant awarded represents value for money in relation to that service;

HAVCO have confirmed that ACE will be undertaking the following in the period up to the 31st March 2012:

- ACE works with between 40 to 50 groups in Havering each year. In the 7.5 months from 16th August 2011 to 31st March 2012, their target would be to work with between 25 and 31 groups.*
- They would expect to provide between 125 to 150 hours of one-to-one support to LBH groups.*
- They will run approximately 17 training courses open to trustees, volunteers and staff of Havering groups. They would expect between 20 to 25 attendees from Havering groups.*
- They would expect to prepare accounts for between 10 to 15 groups.*
- They will conduct financial health checks with between 4 and 6 Havering groups.*
- They will issue two editions of their newsletter 'ACE Value' and distribute them to*

Member Key Decision

Havering groups.

The service will be of substantial benefit and offer value for money because it delivers a range of training courses and support to enable sound financial management in voluntary and community organisations.

- d) the organisation is willing to enter into a funding agreement with the Council to deliver the agreed service and to ensure satisfactory performance.

HAVCO has confirmed that they are willing to enter into a funding agreement with the Council to deliver the agreed programme for £15,000

In conclusion, the application by HAVCO to deliver the agreed programme for £15,000 until 31 March 2012 meets all of the criteria, given the exceptional circumstances, and is recommended for approval.

AUTHORITY UNDER WHICH DECISION IS MADE

On 13 July Cabinet resolved to;

Delegates decisions on whether to approve any grant applications received, to the Cabinet Member for Value and the Cabinet Member for Towns and Communities (with the Leader of the Council acting in the place of either or both of those Members if they declare an interest in the decision), following consideration of the interim criteria, any responses received from consultation, and the equalities and financial implications of each decision.

The Cabinet Member for Value and Culture and the Cabinet Member for Towns and Communities have not declared an interest in HAVCO so it is considered appropriate that they should make the decision on whether to approve the grant application.

STATEMENT OF THE REASONS FOR THE DECISION

A number of voluntary organisations including HAVCO will have their funding agreements terminated on 15 August 2011, including some which are providing services in Havering. It is important that the Council decides which organisations will continue to fund, in the context of the Council's overall financial position and the continued delivery of valuable services

OTHER OPTIONS CONSIDERED AND REJECTED

The alternative approach to not funding HAVCO would result in voluntary and community organisations in the borough not having access to training that will support the development of their financial management capacity and their ability to access independent examination of their year-end accounts. This would impact on their ability to generate income through external funding. This option has been rejected.

Member Key Decision

NAME AND JOB TITLE OF STAFF MEMBER ADVISING THE DECISION-MAKER

Name: Amanda Lewsey

Designation: Economic Development Team Leader

Signature:



Date: 18/8/11

Part B

LEGAL IMPLICATIONS AND RISKS

The judicial review has clarified the process by which local authorities are legally entitled to review the financial support which is provided to the voluntary sector. The Council must have due regard to the equalities implications of its funding decisions, and must only make those decisions after it has consulted properly with the organisations who will be affected. These considerations have been incorporated in the proposed decision-making process, and recommendations have been made with due regard to the equalities implications of these questions.

FINANCIAL IMPLICATIONS AND RISKS

In 2010/11 Havering's contribution to LBGS was £795,100. Because of uncertainty at the time the budget was set, the same amount of £795,100 was included in the Council's budget for 2011/12.

However because the LBGS will be funding fewer services after 15 August 2011, the size of the LBGS budget has reduced this year. Havering's contribution to the LBGS in 2011/12 will be £422,300, subject to any changes which may arise in the remainder of the year. At this stage however it is anticipated that this will leave a sufficient balance to fund HAVCO's pro rata amount of £14,063 and the additional amount of £937.

HUMAN RESOURCES IMPLICATIONS AND RISKS (AND ACCOMMODATION IMPLICATIONS WHERE RELEVANT)

There are no direct human resources implications. The modest workload attached to considering grant applications will be managed within existing staff resources.

EQUALITIES AND SOCIAL INCLUSION IMPLICATIONS AND RISKS

The equality implications have been considered carefully. Those identified organisations who substantially deliver in Havering and organisations who have directly approached the Council have been contacted to ask for their comments on the criteria outlined in the 13 July Cabinet report. Access to local providers already funded by the council has also been taken into consideration when assessing the applications.

BACKGROUND PAPERS

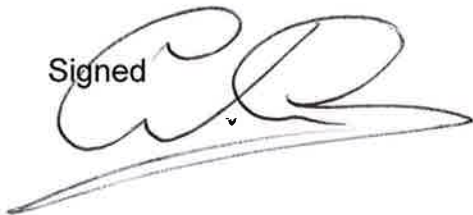
Council Constitution
HAVCO application

Member Key Decision

Confirmation of decision

I confirm that I have made this executive decision, in accordance with authority delegated to me by the Leader of the Council and in compliance with the requirements of the Constitution.

Signed



Name:

ANDREW CURTIN



ROGER RAMSAY

Portfolio held:

CULTURE, TOWNS AND
COMMUNITIES

VAME

Date:

18/08/11

30.8.11

Lodging this notice

This notice should be delivered to the proper officer, currently the Democratic Services Manager via Ian Buckmaster, in the Town Hall. A copy of this notice should be retained by the individual Cabinet member making the decision in question.

Urgency

Where the executive decision recorded in this notice has been made in accordance with the special urgency provisions of the Overview & Scrutiny Procedure Rules, a copy of the written agreement obtained under rule 18 must be attached to all copies of this notice.

For use in Democratic Services

I confirm that this notice was lodged with me on

20/11/11

Signed

A. H. C.