

Minute Extract

Commenced – 6.00 pm

Concluded – 8.59 pm

Adults and Public Health Overview and Scrutiny Board 23 September 2013

Present: Councillor Dhindsa (Chair)
Councillors Jennings, J Khan, Pegg, Turner, Webb and L Winter

In attendance: Councillor Tittley

Councillor J Khan vacated the meeting for the duration of minute number 24/13 (Grant Aid Funding Levels for Voluntary and Community Sector Organisations) following his declaration of a pecuniary interest.

24/13 Grant Aid Funding Methodology for Voluntary and Community Sector Organisations

The Board received an updated report from the Cabinet Member for Adults and Health which requested the Board to consider and comment on the methodology used to determine grant funding levels to voluntary community and faith (VCF) sector organisations. It was reported that the Council faced a very serious financial situation in terms of the level of savings required to achieve a balanced budget for 2014/15 and beyond. The Board understood that an estimated saving of circa £30m per annum would be required annually over the next five years.

The Cabinet Member for Adults and Health explained that as part of the medium term financial plan, £493k of savings had been identified primarily in 2014/15 against VCF sector grant funding allocations.

The Board was reminded that the grants budget prior to the comprehensive spending review of 2010 stood at approximately £1.5m. Following the latest round of reductions, however, the budget would reduce to £522k. This equated to a funding reduction of approximately £1.0m. The Cabinet Member asserted that this savings requirement was a direct result of the funding restrictions imposed on the Council by the coalition government.

The Board was informed that although the scale and impact of the funding reductions on the city's VCF sector would inevitably reduce the sectors ability to provide early intervention and preventative services, the need to protect statutory services was of paramount importance.

The Cabinet Member explained that the methodology adopted to allocate funding to VCF sector services was based on intelligence gathered by commissioning officers for each service and applied judgements based on that information. In trying to

preserve as many of the services as possible, the methodology introduced further rationing of resources.

The Board considered the key principles detailed in section 4.5 of the report which were used to determine the grant funding allocation. The Cabinet Member maintained his intention to preserve a broad spectrum of services within his portfolio. The Director of Business Intelligence and Sector Development confirmed that the principles contained within the 2012 Voluntary Community Funding Strategy had not been departed from. In response to questions from the Board, the Director identified the four strands within the 2012 strategy as being the provision of support, advice and information; early intervention and prevention; the provision of direct care within the community and investment in community infrastructure.

The Strategic Director for Adults, Health and Housing observed that where there was a failing provider, it was important for the Council to be assertive. In decommissioning an ineffective service, the Council could re-invest the funding, thereby protecting the use of the money and the provision of services. The Strategic Director reminded the Board that funding from the Council was not only source of funding available to the VCF sector. Grant Aid funding, for example, was another source.

The Board discussed the proposed percentage reductions, particularly for those organisations which would receive a 100% reduction in funding. The Cabinet Member explained that the approach used to determine the reductions aimed to achieve consistent outcomes but the budget constraints required a focus on the provision of statutory services. The information provided by organisations, as part of the consultation process, had been a key factor in evaluating their contributions. The Strategic Director advised the Board that it was important to preserve a range of services to ensure, where possible, that any risk posed to Council was spread across a range of service providers.

Resolved to:

- 1. note the implications of the massive reduction in grant aid funding levels for voluntary, community and faith sector organisations and the impact this will have on the services provided by those organisations;**
- 2. note that any further reduction in funding will have a devastating impact on preventative services provided by voluntary, community and faith sector organisations;**
- 3. note that Adults Health and Housing Directorate continues to work with National Health Service and other partners to provide joint funding to voluntary, community and faith sector organisations;**
- 4. recognise the need to employ the methodology cited in section 4.5 of the report to determine the grant funding allocation; and**
- 5. recommend that new services providers be given an opportunity to bid for grant aid funding if existing providers are assessed as not providing effective services.**