



# Cabinet Meeting

22 January 2014

<b>Report title</b>	Voluntary Sector Community Initiatives Grant Funding 2014/15 and 2015/16	
<b>Decision designation</b>	AMBER	
<b>Cabinet member with lead responsibility</b>	Councillor Elias Mattu Leisure and Communities	
<b>Key decision</b>	Yes	
<b>In Forward Plan</b>	Yes	
<b>Wards Affected</b>	All	
<b>Accountable director</b>	Sarah Norman, Community	
<b>Originating service</b>	Community	
<b>Accountable employee(s)</b>	Karen Cross: Community Initiatives Team Manager Tel: 01902 55(4034) Email: karen.cross@wolverhampton.gov.uk	
<b>Report has been considered by:</b>	Strategic Executive Board	19 December 2013

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## Recommendation(s) for action or decision:

The Cabinet is recommended to:

1. Agree the savings proposal to reduce the voluntary sector grant funding to the Voluntary Sector by £1.6 million as detailed in the table at Appendix A.
2. Agree continued grant funding support for the foreseeable future to twelve voluntary sector organisations whose work is most closely aligned to the Corporate Plan priorities as identified in the table at paragraph 6.5 and Appendix A., namely: Access to Business; Afro-Caribbean Community Initiative (ACCI); Age UK; Citizens Advice Bureau, Haven; Heath Town Senior Citizens; Job Change; Little Brothers; St Columba's Day Centre; Wolverhampton City Credit Union; Wolverhampton Volunteer Service and establish a single allocation for Voluntary Sector Infrastructure Support Service (formerly WVSC & YOW).

3. Agree continued grant funding support during 2014/15 to 17 voluntary sector organisations as identified in the table at paragraph 6.5 and Appendix A during which time they will be able to investigate other, more sustainable, sources of external funding, other ways of delivering services and other income streams. These are Base 25; Church of God of Prophecy; Equality & Diversity Fund Projects (Aspiring Futures, Bilston Resource Centre, Engage Youth Empowerment Services (EYES), Equality & Diversity Forum (a 1 year project ending June 2014); Jubilee Community Support Centre; and Wolverhampton Somali Community) Gazebo Theatre in Education; LGBT Network (approval for 2014/15 only); One Voice; SEWA Centre (a 1 year project ending June 2014); Sickle Cell and Thalassaemia Support; St Georges Charity; Wolverhampton Domestic Violence Forum; Wolverhampton Voluntary Sector Council and Youth Organisations of Wolverhampton (YOW) (6 months funding ending 30 September 2014)
4. Agree that, subject to final approval by Council in March 2014, three months' notice be given to those voluntary sector organisations whose funding will cease in April 2014. These are Blakenhall Community Advice Centre; BME United; Central Youth Theatre; Jericho House; Relate; Stratton Street Community Project; Wildside Activity Centre; Wolverhampton Community Radio; Wolverhampton Community Transport; Wolverhampton Gateway Clubs; Wolverhampton Samaritans; YMCA and Young in Wolverhampton Clubs.
5. To approve Innovate to Save grants totalling £145,433 for Age UK Wolverhampton, BME United and Gazebo Theatre in Education.

**Recommendations for noting:**

The Cabinet is asked to note:

1. The response received from the Third Sector Partnership to consultation on the savings proposals from the voluntary sector grants as set out at Appendix B to this report.

## **1.0 Purpose**

- 1.1 To maximise the use of the community initiatives voluntary sector grants funding to target priority outcomes outlined in the Corporate Plan. To achieve £1.6 million savings from the grant funding in order to achieve the financial savings identified in the Council's Five Year Budget Strategy.
- 1.2 To report the outcome of consultation with the voluntary and community sector about proposals as part of the Council's Five Year Budget and Medium Term Financial Strategy (MTFS) 2014/19 and to make proposals for the allocation of the remainder of that grants budget in 2014/15 and beyond.

## **2.0 Executive Summary**

- 2.1 The report takes forward proposals for saving £1.6 million from the Council's voluntary sector grants budget. The proposals ensure that of the approximate £26.0 million external funding attracted by the voluntary sector £24.7 million would be safeguarded in 2014/15. Wherever possible the proposals aim to mitigate the impact upon individual organisations, services and citizens. These proposals will impact upon 42 organisations currently funded by the Council grant. Twelve organisations will continue to receive funding for the foreseeable future, seventeen organisations will continue to receive funding during 2014/15 and funding will cease for thirteen organisations. The Council will continue to work with all organisations to identify other sources of funding.

## **3.0 Background**

- 3.1 In October 2013 Cabinet agreed, as part of the Medium Term Financial Strategy, a proposal to reduce the voluntary sector grants budget by £1.6 million (£1.1 million in 2014/15 and £533,000 in 2015/16). The proposal has formed the basis of consultation with the voluntary and community sector (VCS).
- 3.2 In addition to the proposed reduction in the grants budget it is also proposed that the existing Community Initiatives Team will be disbanded. The remaining commissioning duties will be reallocated to the commissioning teams within the Community Directorate and one central VCS co-ordination post will be created.
- 3.3 This report sets out:
  - Details of future grant funding for voluntary and community sector (VCS) organisations in 2014/15 and 2015/16 (Appendix A).
  - The outcome of Third Sector Partnership Consultation with the city's VCS (Appendix B).
  - Summary of the impact assessments determined with each currently funded VCS organisation (Appendix C).
  - Priority framework that demonstrates the basis of the decisions in regard to future funding (Appendix D).
  - Summary of Innovate to Save (I2S) Fund applications recommended for approval (Appendix E)
  - .

#### **4.0 Consultation**

- 4.1 In line with the principles of the Wolverhampton Compact consultation with the VCS ran for 12 weeks from 16 October 2013 to 9 January 2014.
- 4.2 The VCS Third Sector Partnership (TSP) and organisations in receipt of Council grants from the Community Initiatives budget have been fully briefed on the savings proposals contained in the Cabinet report. The VCS response to the consultation was led by the TSP. The TSP and funded organisations attended a consultation meeting with the Lead Member for Leisure and Communities, the Director of Community and senior officers on 23 November 2013.
- 4.3 Following that meeting the TSP produced a response to Appendix 0029 of the MTFS report considered by Cabinet on 23 October 2013 – a copy of that response is attached, in full, at Appendix B to this report.
- 4.4 As part of the Council's statutory budget consultation this proposal was discussed at a meeting of the Third Sector Partnership on 5 December 2013. The outcome of the Council's statutory budget consultation process will be reported to Cabinet on 26 February 2014.

#### **5.0 Process for the Determination of Future Grants**

- 5.1 Under its general equality duty the Council is required to assess the impact of these proposals. Equalities, service and economic impact questionnaires have been completed by each grant funded organisation.
- 5.2 Attached at Appendix C is a table that sets out the headline impact data drawn from the questionnaires submitted by each currently funded organisation; this also details the ward where each service is located, the geographic focus of those services and the forecast impact upon continuation of service, current users, staff and externally generated income.
- 5.3 More detailed information from 39 of the currently funded organisation can be found by following the link <http://www.wolverhampton.gov.uk/article/3929/Equality-impact-assessments> . A paper copy of the complete appendix will be made available to each member of Cabinet.
- 5.4 Each summary has been approved in its current format by the organisation concerned and includes excerpts from the annual monitoring of each grant and individual impact questionnaires.
- 5.5 A stage one and two Equality Analysis have been developed. As part of the process a focus group of 4 representatives from equalities organisations drawn from the Third Sector Partnership met to quality assure the Analysis.

## **6.0 Priorities for Funding in 2014/15**

- 6.1 The Cabinet is recommended to agree that in 2014/15 the voluntary sector grants budget should be focused upon organisations that deliver services of a strategically important nature for the city and the Council.
- 6.2 In line with the outcome of the budget consultation held over the summer months VCS projects to be supported in future will be delivering services to the most vulnerable of the city's Children and Adults, focussed upon Economic and Social Inclusion, Training and Employment; and Volunteering. There will also be an allocation, albeit reduced, to support voluntary sector infrastructure.
- 6.3 A framework has been developed which scores each of these priority areas out of a maximum of 5; the completed framework is attached to this report at Appendix D. Organisations that scored over 20 or above, on the basis of monitoring information submitted and the outcome of the impact assessments will continue to be funded by the Council. Those organisations that achieved an evaluation score between 16 and 20 will continue to receive a grant allocation until March 2015.
- 6.4 A group of 13 currently funded organisations achieved a score of 15 or less; those organisations will be given three months' notice that the Council's grant will conclude in April 2014.

6.5 The outcome in 2014/15 can be summarised as:

Proposal	Organisation
The Council is recommended to continue to fund 12 organisations and services at the level specified in Appendix A. These are organisations that achieved an evaluation score of 20 or above.	Access to Business; Afro-Caribbean Community Initiative (ACCI); Age UK; Citizens Advice Bureau, Haven; Heath Town Senior Citizens; Job Change; Little Brothers; St Columba's Day Centre; Wolverhampton City Credit Union; Wolverhampton Volunteer Service and a single allocation for Voluntary Sector Infrastructure Support Service (formerly WVSC & YOW).
To continue to support 16 organisations at the level specified in Appendix A until March 2015. These are organisations that achieved evaluation score between 16 and 19.	Base 25; Church of God of Prophecy; Equality & Diversity Fund Projects (Aspiring Futures, Bilston Resource Centre, Engage Youth Empowerment Services (EYES), Equality & Diversity Forum (1 year project ending June 2014); Jubilee Community Support Centre; and Wolverhampton Somali Community) Gazebo Theatre in Education; LGBT Network (approval for 2014/15 only); One Voice; SEWA Centre (1 year project ending June 2014); Sickle Cell and Thalassaemia Support; St Georges Charity; Wolverhampton Domestic Violence Forum; Wolverhampton Voluntary Sector Council.
To continue to support YOW for a period of 6 months to enable the organisation to consider a merger with WVSC.	Youth Organisations of Wolverhampton (YOW)
To serve notice upon 13 organisations of the Council's intention to end grant support in April 2014. These are organisations that achieved evaluation score of 15 or less.	Blakenhall Community Advice Centre; BME United; Central Youth Theatre; Jericho House; Relate; Stratton Street Community Project; Wildside Activity Centre; Wolverhampton Community Radio; Wolverhampton Community Transport; Wolverhampton Gateway Clubs; Wolverhampton Samaritans; YMCA; and Young in Wolverhampton Clubs.

**7.0 Equality and Diversity Fund**

7.1 Nine of the currently funded organisations have been allocated grants from the Equality and Diversity Fund (E&D Fund) which was designed to ensure that BME led organisations were allocated a share of funding which is reflective of local demographics and that people from across the remaining eight protected characteristics<sup>1</sup> identified by the Equalities Act 2010 were allocated adequate funding.

<sup>1</sup> The protected equalities characteristics covered by the Equalities Act 2010 are:- Age; Disability; Ethnicity; Gender; Gender reassignment; Marriage & Civic Partnership; Pregnancy & Maternity; Religion/belief and Sexual orientation

- 7.2 Funding for the Refugee and Migrant Centre is scheduled to conclude in February 2014.
- 7.3 The remaining seven E&D funded organisations have grant agreements that are scheduled to conclude between June and December 2015. It is proposed under this savings proposal that these projects are given notice that the Council grant will conclude at the earlier date of 31 March 2015. For this reason they are identified individually in the summary table at paragraph 6.5 and in Appendix A.

## 8.0 Innovate to Save Proposals

- 8.1 The Innovate to Save (I2S) fund was developed to encourage VCO's to reduce their dependency on Council funding by using it to diversify and/or attract other funding. The 2013/4 fund was further refined to deliver in year savings in the current financial year and further permanent savings between 2014/16.
- 8.2 The advent of proposals for £1.6 million of savings in this budget has not only changed the context but has impacted upon the viability of proposals submitted by VCS groups. Initial appraisal has established that 3 of the 9 proposals submitted forecast a reduced dependency on Council grant by more than 50% over a 2.5 year period.
- 8.3 Attached at Appendix E is a schedule that details the viable I2S bids; the table below summarises those projects recommended for support and identifies the return on the I2S investment which will achieve permanent savings by March 2016:

Organisation	Amount Requested £	Savings £	Continued WCC Grant requested £
Age UK Wolverhampton	64,808	72,080	48,050
BME United	39,805	51,370	0
Gazebo Theatre In Education	40,820	40,820	31,000
<b>Totals</b>	<b>145,433</b>	<b>164,270</b>	<b>79,050</b>

- 8.4 Each of these bids was predicated upon a level of grant continuing from the City Council. Under these savings proposals these grants will continue into 2014/15 thereby giving each the best chance of delivering their I2S proposal and moving further towards self-sustainability.

## 9.0 Risk Analysis

- 9.1 There is a risk that this proposal could impact disproportionately upon locally based VCS providers as other contracts awarded by the Council are mainly to regional or national VCS providers:

	Number	2013/14 £000
VCS Organisations funded or commissioned by WCC	106	18,209
Local VCS organisations receiving grants	42	2,689
Wolverhampton based VCS providers contracted by WCC	18	3,143
National or Regional VCS Providers delivering Council services under contract	46	12,378

9.2 In terms of the cohort of 13 VCS organisation that will no longer be funded by the Council in 2014/15:

- The impact assessments have identified that 9 of those organisations forecast a loss of the Council's grant will mean they have to close whilst the remaining 4 will reduce levels of service but continue to provide services.
- The level of income from external sources that is forecast to be lost as a result of the proposal in 2014/15 is £1,452,000.

9.3 The Council previously agreed to act as 'guarantor' for some VCS organisations that have 'Admitted Body' status within the West Midlands Pension Fund (WMPF). Under the terms of that guarantee if an organisation is unable to meet its pension obligations following the withdrawal of Council grant, liability could fall to the Council. A detailed assessment has been made on the potential impact of these proposals which has revealed that the maximum pension exposure would be £13,000.

## 10.0 Conclusions

10.1 If the recommendations contained in this report are approved 29 organisations and projects will continue to be supported by the Council and can continue to operate in the city in 2014/15. This would mean that:

<b>Impact of the 2014/15 grant proposals:</b>	
Individual Service Users will see VCS services continue	64,135
VCS Staff posts safeguarded	262
Volunteering roles safeguarded	2,028
Levels of External Income safeguarded	£24,753,552*
Staff in membership of WM Pension Scheme	58

\* This total external income generated includes the return from the Refugee and Migrant Centre whose E&D Fund grant will conclude in February 2014.

10.2 During 2014/15 the 29 organisations that continue to be funded will have time to investigate other, more sustainable, sources of external funding, other ways of delivering services and other income streams.

## 11.0 Financial implications

11.1 The approved budget for VCS grant support is £2.7 million and the Community Initiatives Team is £225,000. The Cabinet report on 23 October 2013 proposed savings of £1.6 million by way of a reduction in voluntary sector grant funding (£1.1 million in 2014/15 and £533,000 in 2015/16).

11.2 Appendix A lists the organisations that are recommended to receive funding for 2014/15 and 2015/16. It identifies savings of £1.1 million in 2014/15 and £598,000 in 2015/16, £68,000 above the proposed target.

11.3 The costs of £145,433 as set out in paragraph 8.3 will be funded from the Efficiency Reserve.



11.4 The Council previously agreed to act as ‘guarantor’ for some VCS organisations that have ‘Admitted Body’ status within the WMPF, the maximum costs payable would be £13,000. [AS/13012014/M]

## 12.0 Legal implications

12.1 A supplementary legal report will be presented to Cabinet detailing the legal implications of this report. Wolverhampton Compact obliges the Council to consult with the VCS on the proposals, ideally for a period of 12 weeks – which will conclude on the 9<sup>th</sup> January 2014. VCS Grants are provided under a standard set of terms of Conditions which requires three months’ notice to be given of termination of the grant. If three months’ notice is given to the 13 affected organisations following the meeting of Cabinet on 22 January 2014 the Council support for those services will end in April 2014. There is no liability for the Council arising from those notices. [JH/08012014/K]

## 13.0 Equalities Analysis

13.1 An Equalities Analysis (E.A.) of this savings proposal has been completed. A Stage One E.A. was compiled by officers, following which, a focus group of representatives from the Third Sector Partnership met to quality assure Stage Two of the E.A. process.

13.2 The key messages from the Focus Group meetings were:

13.2.1 The E.A shows the very positive impact that the VCS makes across the 9 protected characteristics. The Focus Group felt strongly that the equalities profile of overall provision by the VCS should be maintained.

13.2.2 The Stage Two E. A. identifies a potential adverse impact upon people across all protected characteristics. A reduction in VCS operational capability or infrastructure has the potential to reduce or eliminate the potential for support to some of the most vulnerable people in local communities and, in consequence, reduce the Council’s ability to deliver important programmes.

13.2.3. There will be an initial impact upon 13 organisations, that will see funding conclude in April 2014 (these are listed in paragraph 6.5). Because there are two stages to this savings proposal the E.A will need to be reviewed and updated during 2014/15. This will ensure it reflects changes to level of need in Wolverhampton and the impact of the proposals to end funding for a further 16 organisations at 31 March 2015. This will see the number of groups funded by the Council reduced to 12 and will have significant impacts across the 9 protected characteristics.

13.3 The table below summarises the known equalities and impact data in regard to the 13 organisations that will see funding end in April 2014:

Service Users	BME Service Users	% of BME Service Users	Gender (where known or collected)		Disabled People	Jobs at risk	Ext. Funding
			Male	Female			
32,801*	7,004	22.5%	5,713	5,105	1,513	93	1,452,883

\*Includes 20,287 telephone calls received by one organisation.

#### **14.0 Environmental implications**

14.1 There are some environmental implications as one funded organisation delivers environment based activities and awareness and one is delivering recycling services.

#### **15.0 Human Resources Implications**

15.1 The 13 organisations affected by these proposals forecast that up to 93 posts will be at risk if their Council grants are withdrawn.

#### **16.0 Schedule of background papers**

16.1 **(26.10.13) Cabinet - Five Year Budget and Medium Term Financial Strategy 2014/15 to 2018/19 (Appendix 00029)**

**Appendix A - allocation of grants 2014/15 and 2015/16**

<b>Voluntary organisation:</b>	<b>Base Budget 2014/15 £</b>	<b>Proposed Budget 2014/15 £</b>	<b>Proposed Budget 2015/16 £</b>
Access to Business	56,010	56,010	56,010
Afro-Caribbean Community Initiative	56,440	56,440	56,440
Age UK, Wolverhampton (I2S intervention)	120,130	48,050	48,050
Base 25	27,160	27,160	0
Blakenhall Community Advice Centre	61,440	5,120	0
BME United	51,370	4,280	0
Central Youth Theatre	13,520	1,130	0
Church of God of Prophecy	50,620	50,620	0
Citizens Advice Bureau	367,200	358,200	358,200
City Challenge Legacy	3,000	0	0
<i>City Challenge Legacy Rental Income</i>	(3,000)	0	0
Gazebo (I2S intervention)	71,820	31,000	0
Haven Project	204,230	175,000	175,000
Heath Town Senior Citizens Welfare Project	116,780	116,780	116,780
Jericho House	15,530	1,290	0
Job Change	59,290	59,290	59,290
Little Brothers	53,410	53,410	53,410
One Voice - Disability Forum	34,680	34,680	0
Relate	52,820	4,400	0
Sickle Cell & Thalassaemia Support	31,640	31,640	0
St Columbus Day Centre	51,360	51,360	51,360
St George's Charity	36,520	36,520	0
Stratton Street Community Project	22,430	1,870	0
Wildside Activity Centre	73,160	6,100	0
W'ton City Credit Union (I2S in 2014/15)	102,000	67,000	35,000
W'ton Community Radio	46,870	3,910	0
W'ton Community Transport	90,910	7,580	0
W'ton Domestic Violence Forum	58,770	58,770	0

<b>Voluntary organisation:</b>	<b>Base Budget 2014/15 £</b>	<b>Proposed Budget 2014/15 £</b>	<b>Proposed Budget 2015/16 £</b>
W'ton Gateway Clubs	2,080	170	0
W'ton Samaritans	2,250	190	0
W'ton Voluntary Sector Council	98,080	98,080	0
W'ton Volunteer Service	39,770*	90,000	90,000
YMCA - Wolverhampton Project	49,510	4,130	0
Young in Wolverhampton Clubs	37,780	3,150	0
Zip Theatre Closed Aug 2013	30,480	0	0
Youth Organisations Wolverhampton	112,350	50,000	0
Holiday Play schemes	5,000	0	0
Supporting Compact Development	2,000	0	0
Voluntary Sector Training	1,000	0	0
Infrastructure Support Grant	0	0	100,000
Contingency	84,480	0	0
<b>Equality &amp; Diversity Fund Projects:</b>			
Aspiring Futures	39,060	39,730	0
Bilston Resource Centre	37,610	35,580	0
Equality & Diversity Forum	16,890	8,450	0
EYES	38,610	38,720	0
Jubilee Community Support Centre	40,000	40,000	0
LGBT	40,000	20,000	0
Refugee & Migrant Centre	40,000	0	0
SEWA	34,860	0	0
Wolverhampton Somali Community Organisation	14,340	11,610	0
<b>TOTAL</b>	<b>2,692,260</b>	<b>1,787,420</b>	<b>1,199,540</b>

Community Initiatives Team 225,000 60,000 50,000

**Overall Budget Required** **2,917,260** **1,847,420** **1,249,540**

Savings Identified 1,069,840 597,880

\* 2013/14 grant payment was £90,000; £50,000 was funded from budgets outside CIT

## Appendix B: Proposed Reduction in Voluntary Sector Grant - Response from Third Sector Partnership January 2014

Report to Cabinet 23 October 2013	Response from Third Sector Partnership										
<p><b>1.0 Description of Savings Proposal</b> The council currently commissions / grant funds £12.5 million schemes in the voluntary sector. This proposal specifically targets the voluntary sector grant funding which has a current budget of £2.5 million and looks to reduce that by a further £1.6 million over the next year and a half. However, this would only equate to a 13% reduction in voluntary sector funding overall. The remaining budget of £940,000 would be allocated to organisations that deliver services that are considered strategically important to the delivery of the City Strategy. This proposal would also result in the downsizing of the Community Initiatives Team with the remaining commissioning elements of the role being undertaken by existing commissioners in the Directorate and one central post remaining to coordinate support to the voluntary sector.</p>	<p>The Council is proposing to reduce the £2.5m which currently supports a range of voluntary and community organisations to deliver services in the city by £1.6m leaving a total of £0.94m. This is a cut of 64%. The cut is front-loaded into years 1 and 2 of the Five Year Strategy.</p> <p>The most recent Council figure in terms of total council resources spent with the VCS is £18.2million. Of this, only £10.5 million is coming from the Council's revenue resource, with the balance funded from external sources. Much of the £18.2M is not spent with the local third sector with, for example, £5.5M being spent with NACRO, a London based national organisation. A further £3.15 million is going to Housing Associations for Housing Related Support, of which all except one are based outside Wolverhampton. This budget itself is facing a 30% cut over the next two years.</p> <p>That said, apart from the CIT budget, all remaining funds represent contracts awarded to third sector organisations primarily through competitive processes, and as such they fall outside the scope of this report. All contracts are also subject to their own savings proposals in negotiation with the provider.</p>										
<p><b>2.0 Table Setting out financial proposal</b> <b>2.1 Total base budget savings</b></p> <table border="1" data-bbox="188 1145 810 1385"> <thead> <tr> <th>Year</th> <th>Total Base Budget Savings</th> </tr> </thead> <tbody> <tr> <td>2014 -15</td> <td>£1,067,000</td> </tr> <tr> <td>2015 -16</td> <td>£ 533,000</td> </tr> <tr> <td>2016-18</td> <td>£0</td> </tr> <tr> <td><b>5 YR Total</b></td> <td><b>£1,600,000</b></td> </tr> </tbody> </table>	Year	Total Base Budget Savings	2014 -15	£1,067,000	2015 -16	£ 533,000	2016-18	£0	<b>5 YR Total</b>	<b>£1,600,000</b>	<p>Achieving this level of reduction within the timescale presented and in line with the Council's Compact commitments would lead to the first year cuts being delivered over 9 months, exacerbating the damage to organisations and services available to our communities from 2014.</p>
Year	Total Base Budget Savings										
2014 -15	£1,067,000										
2015 -16	£ 533,000										
2016-18	£0										
<b>5 YR Total</b>	<b>£1,600,000</b>										

Report to Cabinet 23 October 2013	Response from Third Sector Partnership														
<p><b>2.2 Staffing Implication</b></p> <table border="1" data-bbox="188 328 656 703"> <thead> <tr> <th>Year</th> <th>Full Time Equivalent (FTE)</th> </tr> </thead> <tbody> <tr> <td>2014-15</td> <td>3</td> </tr> <tr> <td>2015-16</td> <td>0</td> </tr> <tr> <td>2016-17</td> <td>0</td> </tr> <tr> <td>2017 -18</td> <td>0</td> </tr> <tr> <td>2018-19</td> <td>0</td> </tr> <tr> <td><b>5 YR Total</b></td> <td><b>3</b></td> </tr> </tbody> </table>	Year	Full Time Equivalent (FTE)	2014-15	3	2015-16	0	2016-17	0	2017 -18	0	2018-19	0	<b>5 YR Total</b>	<b>3</b>	<p>142 FTE staff are directly employed by Community Initiatives funding. A 64% saving on this would therefore equate to 91 FTE job losses as well as the 3 posts within the CIT team. This does not take into account the knock on effect for other income sources captured under point 6 below, which will in turn result in additional job losses.</p> <p>In addition a reduction in staffing within voluntary and community organisations (VCOs) will lead to a significant reduction in volunteering. For example one funded organisation utilises input from volunteers valued at £755K. The demise of that organisation or any significant reduction in paid staff will significantly impact on the scale and value of volunteering, and this will be replicated across other funded organisations that face a cut or withdrawal of funding.</p> <p>The current monetary value of volunteering across the City, based on national figures equates to £90million.</p>
Year	Full Time Equivalent (FTE)														
2014-15	3														
2015-16	0														
2016-17	0														
2017 -18	0														
2018-19	0														
<b>5 YR Total</b>	<b>3</b>														
<p><b>3.0 Communications Strategy Implications</b> The Communications Strategy Implications of this proposal represent considerable risk as detailed below. The proposal would result in funding being withdrawn from a number of voluntary sector organisations. Continued funding would need to be focussed on corporate priorities.</p>	<p>The implications for communication and public relations represent a considerable risk. Wolverhampton has a national reputation relating both to its vibrant and effective voluntary sector, for example successfully bidding for large BIG Lottery awards, and its work around the Compact. These proposals undermine both.</p> <p>There is also the risk that neighbourhoods affected by the cuts will feel devalued and more isolated.</p>														
<p><b>4.0 Corporate Landlord Implications</b> The Corporate Landlord Implications of this proposal represent some risk as detailed below. Voluntary Sector Organisations (VSOs) could consider asset transfer opportunities through the Council's Community Asset Transfer (CAT) Strategy to help build financial security. The CAT</p>	<p>There are risks in this area too as Voluntary and Community Organisations (VCOs) which might have been in a position to consider asset transfer opportunities may no longer be in place or have the capacity to pick up service delivery where the Local Authority has withdrawn its services delivered in local, neighbourhood-based premises.</p> <p>The fact that there is a Community Asset Transfer strategy in place will be less relevant if there are fewer VCOs in place to take up the baton of local service delivery.</p>														

<b>Report to Cabinet 23 October 2013</b>	<b>Response from Third Sector Partnership</b>
<p>Strategy creates a single gateway approach that provides a clear point of contact for VSOs with asset transfer enquiries and will act as a conduit and a source of information and support. The Corporate Landlord strategic pathway and effective use of the Asset Management Plan will assist with this process.</p>	
<p><b>5.0 Customer Implications</b></p> <p>The implications for customers of this proposal represent considerable risk as detailed below. The proposal would result in funding being withdrawn from a number of voluntary sector organisations. Funding will need to be focused on priorities and assistance offered to voluntary organisations to access alternative sources of funding.</p>	<p>There are considerable risks in this area in particular.</p> <p>VCOs deliver services to some of the most vulnerable people in the city, often in the more deprived neighbourhoods. These proposals risk the closure of a wide range of VCOs and the loss of those services to our communities.</p> <p>A full impact assessment needs to be carried out to assess the way in which these proposals might impact on customers, particularly the more vulnerable and isolated who typically make up the greatest proportion of customers to VCOs.</p> <p>As Council services are reduced, the risks to community cohesion and greater social exclusion increase. VCOs work to achieve greater community cohesion and increase social inclusion, and the reduction of support to the VCS undermines that role. Before agreeing any reduction in this fund, an impact assessment should be carried out to consider VCOs contribution to community cohesion and social inclusion within the City.</p>
<p><b>6.0 Economic Implications</b></p> <p>Funding received by voluntary sector organisations from the council may be used to attract further funding from other organisations. This proposal may therefore lead to an overall reduction in funding received by the city as a whole, which could have an impact on the local economy.</p>	<p>Council figures confirm that for every £1 accessed by the VCS an additional £4.20 is raised to deliver services to local people. Based on these Council figures, a reduction of £1.6m will lead to a reduction of external funding being brought in to the city of around £5 million per annum.</p> <p>There is an increasing emphasis on partnership working across the Public and Voluntary and Community Sectors, in order to secure additional significant resources such as European funding, and resources from large lottery programmes and Central Government programmes. Weakening the local VCS in this way risks</p>

<b>Report to Cabinet 23 October 2013</b>	<b>Response from Third Sector Partnership</b>
	undermining our ability to secure these additional resources that would, in themselves help mitigate the disproportionate impact of Central Government cuts on our City.
<b>7.0 Environmental Implications</b> The Environmental Implications of this proposal are minimal.	No comment from the Third Sector Partnership.
<b>8.0 Equality Implications</b> An equalities analysis screening has been completed, a full analysis is required.	<p>The city's voluntary and community sector works with individuals and communities from all the protected groups under the Equalities Act 2010. Therefore these proposals represent a considerable risk in the area of equalities. This is laid out in more detail in the Council's initial equality analysis of this proposal (attached)</p> <p>This initial analysis shows that a full equalities analysis and impact assessment will be required.</p> <p>Depending on how robustly this is carried out, this impact assessment may be open to challenge in the courts.</p>
<b>9.0 Financial implications</b> The Financial Implications in terms of savings and investments areas as described above.	<p>There are considerable financial implications for the Council to the proposals outlined in this report.</p> <p>Many VCOs funded through the Community Initiatives budget provide prevention and / or early intervention services.</p> <p>It is inevitable that further reducing funding to preventative and early intervention services will result in an increased demand for higher tier, statutory services such as child / adult protection, Looked After Children, Child and Adolescent Mental Health Services (CAMHS), Adult Mental Health services, residential support etc.</p> <p>For example:</p> <ul style="list-style-type: none"> <li>• The national Troubled Families programme has estimated that each family within this cohort costs on average £75K per year that can be avoided with effective, good quality early intervention. The VCS plays a significant role within</li> </ul>



<b>Report to Cabinet 23 October 2013</b>	<b>Response from Third Sector Partnership</b>
	<p>this programme.</p> <ul style="list-style-type: none"> <li>• Appropriately designed early support services around mental health can delay the date of admission to high level hospital based care by 2 years</li> </ul> <p>A number of organisations currently funded through the Community Initiatives budget have significant pension liabilities within the West Midland Pension Fund that are underwritten by the Council. The closure of organisations within this cohort will lead to significant costs for the Council, for example the closure of the Community Safety Partnership in previous years led to a pension liability of C£600K for the Council. Obtaining accurate estimates of current liabilities is challenging and cannot be accurately assessed until such time as an organisation closes, but the figure for CIT funded organisation would run to many hundreds of thousands of pounds.</p> <p>A number of VCO organisations also pay rent to the Council and the closure of these organisations will result in a loss of that income.</p>
<p><b>10.0 Health Implications</b></p> <p>The Health Implications of this proposal are minimal. Further information required regarding the voluntary services affected to ensure reduction or cessation of service provision does not affect health and widen the inequalities gap.</p>	<p>There is a considerable risk to health from these proposals, including the widening of health inequalities across the city by geography or by community.</p> <p>As outlined above, VCOs deliver a wide variety of preventative and early help services, many of these impacting directly on health, particularly mental health and the wider determinants of health such as employment, poverty, social isolation, support networks and resilience.</p> <p>VCOs are the source of the vast majority of volunteering opportunities in the city, and reductions in the numbers or capacity of VCOs will lead to a mirrored reduction in volunteering opportunities.</p> <p>Volunteering has major health benefits for the individuals who volunteer as well as for the people supported directly by the volunteering work.</p>
<p><b>11.0 Legal Implication</b></p> <p>The Legal Implications of this proposal are minimal.</p>	<p>There are potential legal implications from these proposals.</p> <p>If it can be demonstrated that inaccurate or incomplete information was used to make a decision about reductions in funding this could leave the Council open to</p>

<b>Report to Cabinet 23 October 2013</b>	<b>Response from Third Sector Partnership</b>
	<p>legal challenge.</p> <p>If it is demonstrated that these savings proposals have a disproportionate impact on people from protected groups, and the proposals are implemented with no amendment, this could also leave the Council open to legal challenge.</p>
<p><b>12.0 Policy implications</b></p> <p>The Policy Implications on agreed Council policy represents some risk. The proposal would result in funding being withdrawn from a number of voluntary sector organisations. Continued funding would need to be focused on compact priorities. There is a risk to the delivery of the corporate priority 'Empowering People and Communities' around 'encourage, support and work with the voluntary and community sectors'.</p>	<p>There are significant implications for policy in these proposals.</p> <p>The VCS contributes to all of the priorities in the City Strategy: people living longer, healthier lives; reducing child poverty; higher employment rate; and more jobs.</p> <p>A reduction in the number of VCOs will lead to a reduction in the capacity of the sector to contribute to achieving the goals set out in the City Strategy.</p> <p>In addition, the outcome of recent budget consultations in the City confirmed that the top priority was protecting the vulnerable; this scale of reduction within organisations whose main role this is will be at significant odds with this stated policy priority.</p>
<p><b>13.0 Procurement Implications</b></p> <p>The Procurement Implications of this proposal represent some risk as detailed below. Testing the market for alternative innovative services and terminating contracts early. Should the future services be commissioned, full procurements will be needed for each opportunity ensuring fair, open and transparent processes. This will require resource and potentially impact the timetable.</p>	<p>There is significant risk associated with the procurement implications of these proposals.</p> <p>Making the cuts in line with the proposed timetable will severely limit procurement options for the Council.</p> <p>There will be little time for testing the market if current agreements are terminated early.</p> <p>Should services be commissioned rather than grant aided, full procurement processes will need to be followed for each opportunity to ensure processes are fair, open and transparent.</p> <p>This will significantly impact on the proposed savings timetable.</p>
<p><b>14.0 Staffing Implications</b></p> <p>This proposal has HR implications for the</p>	<p>Voluntary organisations have much less scope than the Council to redeploy staff whose posts are lost. Therefore the proposal will almost certainly lead to a significant number of compulsory redundancies. The front-loading of the cuts in</p>

<b>Report to Cabinet 23 October 2013</b>	<b>Response from Third Sector Partnership</b>
Community Initiative Team. The need for compulsory redundancies will be avoided as far as possible through maximising opportunities for voluntary redundancies, redeployment and the deletion of vacant posts.	2014-15 will give little scope for organisations to put alternative funding in place. The cost of these redundancies could in turn destabilise the finances of the organisations concerned, making it more likely that organisations will be forced to close down.
<b>15.0 Trade Union Implications</b>	Many employees within the VCS are not Union members. Those that are may chose to be represented through any redundancy process. For some, particularly smaller, organisations this would be the first experience of a redundancy process and support may be required to ensure that policies are in place and adhered to.

**Appendix C: Summary of impact assessments submitted by each funded organisation**

Ref	Organisation	Service Location	Ward/s Served	Third Sector Equality & Diversity Fund End Date	Service Implication End, Reduce or Continue	Alternative provision Available?	Individual Service Users Affected	Jobs at Risk	Volunteers at Risk	W Mids Pension Fund Members	Other Income at Risk £	2013/14 WCC (CIT) Grant £
1	Access To Business	SP	CW		Reduce	No	225	1	51		338,585	56,010
2	Afro-Carib Community Initiative	SP	CW		Red/End	No	77	2	75		78,899	56,440
3	Age UK Wolverhampton	SP	CW		Reduce	No	2,950	8	135	6	871,183	120,130
4	Aspiring Futures	BL	BL/GR/HT/PK	Jun 2015	End	No	180	6	3		89,636	39,055
5	Base 25	SP	CW		Red/End	No	367	14	40		36,240	27,160
6	Bilston Resource Centre (BRC)	BE	BE/BN/ETT	Aug 2015	Reduce	No	810	4	45		79,000	37,610
7	Blakenhall Comm Advice Centre	BL	BL		End	No	2,080	4	9		35,377	61,440
8	BME United	BL	CW		End	Yes	2,928	2	5	5	154,936	51,370
9	Central Youth Theatre	SP	CW		Reduce	Yes	104	5	5		59,928	13,520
10	Church of God of Prophecy	SP	CW		End		6,230	5	69		69,323	50,620
11	Citizens Advice Bureau	SP	CW		Red/End	No	12,761	32	80		3,340,000	367,200
12	(EYES) Engage Youth Empowerment	ST P	CW	Dec 2015	End	No	46	3	20		61,000	38,610
13	Equality & Diversity Forum	AS	CW	Jun 2015	End	No		1	0		0	16,886
14	Gazebo	BE	CW		End	No	13,841*	30	30		700,000	71,820
15	Haven Project	SP	CW		Reduce	No	790	65	120		2,331,351	204,230
16	Heath Town Snr Citizens Welfare Proj	HT	HT		End	No	74	9	30		40,714	116,780
17	Jericho House	PK	CW		End	No	27	1	0		1,026,000	15,530
18	Job Change	CW	CW		End	No	6,804	30	12		800,000	59,290
19	Jubilee Comm Support Centre	GR	GR/MH/CW	Jun 2015	End	No	26	4	6		0	40,000
20	LGBT	SP	CW	Feb 2014	End	No	684	1	54		500,000	40,000
21	Little Brothers	SP	CW		Reduce	No	220	1	40		28,438	53,410
22	One Voice - Disability Forum	SP	CW		End	No	457	14	40		107,098	34,680
23	Refugee Migrant Centre	SP	CW	Feb 2014	Reduce	No	6219	1	86		343,552	40,000

Ref	Organisation	Service Location	Ward/s Served	Third Sector Equality & Diversity Fund End Date	Service Implication End, Reduce or Continue	Alternative Provision Available?	Service Users Affected	Jobs at Risk	Volunteers at Risk	W Mids Pension Fund Members	Other Income at Risk £	2013/14 WCC (CIT) Grant £
24	Relate	SP	CW		End	No	781	23	9		99,695	52,820
25	SEWA Centre	AS	AS/BL	Aug 2015	Reduce	Yes	579	2	4		0	34,862
26	Sickle Cell & Thalassaemia Support	SP	CW		Red/End	No	432	1	8	11	213,005	31,640
27	St Columbas Day Centre	TW	BL/PK/PNSP		End	No	66	6	10	6	120,810	51,360
28	St George's Charity	SP	CW		Reduce	No	191	2	46		144,625	36,520
29	Stratton Street Comm. Project	BBS/LH	LH		End	No	300	7	15		19,352	22,430
30	Wildside Activity Centre	SP	CW		End	Yes	3780	9	30	5	0	73,160
31	Wolverhampton City Credit Union	SP	CW		Reduce	No	6,860	4	10		2,300,000	102,000
32	W'ton Community Radio	SP	CW		End	Yes	173	3	103		0	46,870
33	W'ton Community Transport	BN	CW		Reduce	Yes	2,000	6	18		0	90,910
34	W'ton Domestic Violence Forum	SP	CW		End	Yes	1,193	5	0		132,203	58,770
35	W'ton Gateway Clubs	PK	CW		No submission received				77		No details	2,080
36	W'ton Samaritans	PK	CW		Reduce	No	20,287	0	80		No details	2,250
37	W'ton Somali Community	HT	HT	Jun 2015	End	No	89	0	10		0	14,340
38	W'ton Voluntary Sector Council	SP	CW		Reduce	No	466*	4	-	33	12,000,000	98,080
39	W'ton Volunteer Service	SP	CW		End	No	1,200	3	1,000	2	No details	39,770
40	YMCA - W'ton Project	SP	CW		End	No	298	4	4		28,000	49,520
41	Young in W'ton Clubs	TW	CW		End	No	226	30	5		57,545	37,780
42	Youth Orgs W'ton (YOW)	TW	CW		End	No	115*	3	5		0	112,350
<b>TOTAL</b>							<b>96,936</b>	<b>355</b>	<b>2,389</b>	<b>68</b>	<b>26,206,495</b>	

\* **Number of attendances/visits/audience/groups supported number rather than individuals counted**

**WARD KEY:** Bilston East (BE) Bilston North (BN) Blakenhall (BL) Bushbury North (BBN) Bushbury South (BBS) Low Hill (LH) East Park (EP) Ettingshall (ETT) Fallings Park (FP) Graiseley (GR) Heath Town (HT) Merry Hill (MH) Oxley (OX) Park (PK) Penn (PN) Spring Vale (SV) St Peter's (SP) Tettenhall Regis (TR) Tettenhall Wightwick (TW) Wednesfield North (WN) Wednesfield South (WS)

## Appendix D – Matrix for the determination of funding priorities

Ref	Organisation	Vulnerable Children & Adults	Training and Employment	Economic Inclusion	Social Inclusion	Volunteers	Total Priority Score	Grant to End 30 April 2014	2014/15 WCC Grant £	2015/16 WCC Grant £	
1	Access To Business	4	5	5	5	3	<b>22</b>		56,010	56,010	
2	Afro-Caribbean Comm Initiative (ACCI)	5	4	3	5	5	<b>22</b>		56,440	56,440	
3	Age UK, Wolverhampton	5	3	4	4	4	<b>20</b>		48,050	48,050	
4	Aspiring Futures	<i>Equality and Diversity grant concluding on 31 March 15</i>							39,730	0	
5	Base 25	5	4	2	4	4	<b>19</b>		27,160	0	
6	Bilston Resource Centre (BRC)	<i>Equality and Diversity grant concluding on 31 March 15</i>							35,580	0	
7	Blakenhall Comm Advice Centre	4	1	4	4	2	<b>15</b>	✓	5,120	0	
8	BME United	<i>Innovate to Save bid will make organisation self sufficient</i>							✓	4,280	0
9	Central Youth Theatre	3	4	0	3	3	<b>13</b>	✓	1,130	0	
10	Church of God of Prophecy	4	3	3	4	4	<b>18</b>		50,620	0	
11	Citizens Advice Bureau	5	3	5	5	5	<b>23</b>		358,200	358,200	
12	Engage Youth Emp't Services (EYES)	<i>Equality and Diversity Grant concluding on 31 March 15</i>							38,720	0	
13	Equality & Diversity Forum	<i>1 year Equality and Diversity grant to conclude on 30 June 14</i>							8,450	0	
14	Gazebo	2	4	3	4	3	<b>16</b>		31,000	0	
15	Haven Project	5	4	3	5	5	<b>23</b>		175,000	175,000	
16	Heath Town Snr Citizens Welfare	5	4	2	5	4	<b>20</b>		116,780	116,780	
17	Jericho House	4	1	2	4	0	<b>11</b>	✓	1,290	0	
18	Job Change	4	5	5	3	4	<b>21</b>		59,290	59,290	
19	Jubilee Comm Support Centre	<i>Equality and Diversity grant concluding on 31 March 15</i>							40,000	0	
20	LGBT	<i>1 year underwriting to allow Lottery bid to be developed</i>							20,000	0	
21	Little Brothers	5	3	4	4	5	<b>21</b>		53,410	53,410	
22	One Voice - Disability Forum	5	2	3	4	3	<b>17</b>		34,680	0	
23	Refugee Migrant Centre (RMC)	<i>Equality and Diversity grant scheduled to conclude in Feb 14</i>							0	0	

Ref	Organisation	Vulnerable Childrer & Adults	Training and Employment	Economic Inclusion	Social Inclusion	Volunteers	Total Priority Score	Grant to End 30 April 2014	2014/15 WCC Grant £	2015/16 WCC Grant £	
24	Relate	3	2	1	2	4	12	✓	4,400	0	
25	SEWA Centre	<i>1 year Equality and Diversity grant concluding in June 14</i>								0	0
26	Sickle Cell & Thalassaemia Supp.	5	3	1	4	3	16		31,640	0	
27	St Columbas Day Centre	5	4	2	5	4	20		51,360	51,360	
28	St George's Charity	4	4	3	3	3	17		36,520	0	
29	Stratton Street Comm. Project	4	1	1	3	3	12	✓	1,870	0	
30	Wildside Activity Centre	3	2	2	3	3	13	✓	6,100	0	
31	Wolverhampton City Credit Union	5	3	5	4	4	21		67,000	35,000	
32	W'ton Community Radio	1	3	1	2	3	10	✓	3,910	0	
33	W'ton Community Transport	4	4	2	3	2	15	✓	7,580	0	
34	W'ton Domestic Violence Forum	5	0	3	5	3	16		58,770	0	
35	W'ton Gateway Clubs	5	0	0	4	4	13	✓	170	0	
36	W'ton Samaritans	5	0	0	4	5	14	✓	190	0	
37	W'ton Somali Community	<i>Equality and Diversity grant concluding on 31 March 15</i>								11,610	0
38	W'ton VSC	<i>Revised allocation for Infrastructure to be allocated in 2015</i>								98,080	0
39	W'ton Volunteer Service	<i>Service being developed and new grant allocation underway</i>								90,000	90,000
40	YMCA – W'ton Project	3	3	3	3	3	15	✓	4,130	0	
41	Young in W'ton Clubs	3	3	2	3	3	15	✓	3,150	0	
42	Youth Orgs W'ton (YOW)	<i>Part year allocation for Infrastructure to be allocated</i>								50,000	0
43	New Infrastructure Support Grant	<i>A new allocation for Infrastructure service yet to be allocated</i>								0	100,000

**Appendix E: Summary of Innovate to Save (I2S) fund applications recommended for approval**

<b>Provider Org</b>	<b>Budget 13/14</b>	<b>Amount Req</b>	<b>Forecast Savings 2014 onwards</b>	<b>Proposal Summary</b>
<b>Age UK</b>	£120,130	£64,808	£72,080	I2S funds will be used to fund 2 posts: A Trading Manager to develop AGE UK's trading arm (volumise sales, product range etc.) and increase amount of unrestricted funding an continue to fund the Income Manager Development post for a further 18 months to obtain funding from alternative sources.
<b>BME United</b>	£51,370	£39,805	£51,370	I2S funds will be used to increase BME United's sustainability by employing a full time Business Development Officer for 1 year to develop a 2 year trading plan and implement a new Community Interest Company (CIC).
<b>Gazebo Theatre in Education</b>	£71,820	£40,820	£40,820	I2S funds will be used to generate income through marketing and promoting Bilston Town Hall as a commercial venue and also by offering a range of additional services and events including theatre and education programmes to increase commissions. Income generation will also support the development and delivery of new services and activities. Funding of £23,284 secured through Wolverhampton University's "Knowledge, Exchange & Enterprise Network" (KEEN) to subsidise marketing development post.