

Shaping the Council 2015-16 and beyond: Savings Business Case

Business Case Title	Reduction to Voluntary Sector Core Grants – VSDF and CAB		
Revision No:	1	Date:	7.7.14
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Section 1: Summary

Savings Proposal

The specific saving proposal affects two separate budgets. The saving for 2015/16 is for £150k from the budget used to support Thurrock Citizens Advice Bureau. The saving for 2016 – 2018 is for £75k per year from the Voluntary Sector Grants Budget – this budget is administered via a Grants Panel supported by Thurrock CVS. 80% of the total budget supports core grants – usually agreed for three years and the saving in 2016/17 will impact on the third year of some grants. 20% of the budget is used to support community grants – these are determined year on year.

In addition, It is recognised that there is likely to be a cumulative impact on the voluntary and community sector due to proposals to both reduce core grants and specific grants currently provided by services across the Council. A full assessment will be completed in consultation with the CVS to determine the implications for the sector and impact on the wider community. Savings proposals put forward in Adults, Health & Commissioning, Children’s Services and Planning & Transportation include reductions in funding and changes to contracts with the voluntary sector.

These are being considered by the respective O&S committees during July. Outcomes from O&S will be considered by Cabinet in August and the consultation on the cumulative impact of savings on the sector will follow in early Autumn.

In addition, indirect impacts will need to be considered – for example, the impact of savings made to community buildings, or libraries including the Thameside which may be used by voluntary sector organisations.

Strategic rationale

CAB – The rationale to cease the budget currently used to support CAB is that the Council has supported this organisation for many years. Thurrock CAB provides free, confidential and impartial advice across a range of issues including welfare benefits, debt relief and money advice. CAB has faced financial challenges for some years and in 2013 the Council provided an emergency package to CAB to ensure the organisation was able to continue after facing changes to legal aid funding which had a large impact on the organisation. The Council advised CAB at that time that it could not continue to provide security to the organisation and the Board would need to explore alternative delivery arrangements in the form of a merger with neighbouring CABs or external funding to create a more independent footing. Given the current pressures on

the Council it is no longer possible for the Council to support CAB in this way.

Voluntary Sector Grants – savings are not proposed until 2016-17. This will be the third year of the current funding round and the rationale is that savings can be projected over the next 12 months to minimise the impact on core funded organisations if taken from the 80% element of the grants fund OR to take the saving from the community fund minimising impact on organisations that currently have three year agreements. Organisations currently funded from the 80% element of the grant include:

Thurrock CVS: £70,693

SERICC: £63,443

TRUST: £44,863

Open Door: £38,066

Thurrock Play Network: £33,171

Ngage: £52,566

TRUP: £17,704

Thurrock Arts Council: £10,876

Thurrock District Scouts: £20,500

Thurrock Sports Council £16,722

SNAC: £1,088

The Panel supporting the administration of grants will be asked to manage the saving in consultation with the sector so the least impact is made.

As grants have yet to be allocated in 2017-18 there is less known impact. However, given the cumulative impact of savings impacting on the voluntary sector, it is likely that there will be a high degree of competition for funding at this time and the Council will need to ensure that it has supported the panel in setting the context for Grants at that time. The CAB may be able to bid for this funding however the overall amount available to the sector will be smaller than at present.

Approximate Cost Savings

£300k 2015 - 2018

Timescales

Activity	Timescale
Saving to CAB £150k	2015-16
Saving to Voluntary Sector grants £75k	2016-17
Saving to Voluntary Sector grants £75k	2017-16

Risks /Consequences

There are multiple risks associated with the proposed saving to CAB – there is a possibility that the saving will threaten the future of this service to residents at a time when demand for free, impartial and confidential advice relating to welfare benefits and money advice hit an all-time high. Whilst there are other organisations providing advice on some similar areas in Thurrock, it is unlikely that the full range of advice or same quality assurance would be achieved.

A further risk is that the people affected by this will be some of the Borough's most vulnerable people and there is a likely hood that this will impact on a number of equality groups with protected characteristics.

In addition the saving will come at a time when Thurrock Online goes live and more people will struggle to access alternative routes to advice e.g. through the contact centre or direct services.

Proposed savings to the voluntary sector grants programme also poses threats to the sector. Whilst there is time to manage this individual proposal in a way that mitigates impact, the cumulative impact of savings to the voluntary sector means that this saving cannot be seen in isolation from other decisions.

The Council signed up to a Thurrock Joint Compact in 2012 and in recognition of the increasing role the sector is likely to play in Thurrock, has taken steps to avoid cuts on the sector. The sector itself has taken steps to future proof organisations knowing that the potential impact of savings faced by councils would be unprecedented. In 2013 Thurrock CVS commissioned a piece of work 'Maximising Public Services' to help scope the challenges that could be faced as well as ideas on how to future proof services. The Council has engaged with the sector to develop a draft Commissioning, Procurement and Grant Strategy with the Voluntary, Community and Faith Sector and Social Value Framework to help unleash the potential of the sector. Both are currently out for public consultation. Furthermore the Council is committed to co-producing Community Hubs with the voluntary sector and communities. The capacity of the sector to commit to locality working through Hubs is likely to be threatened as a result of these savings.

Mitigation

The Council has worked with the sector through the Joint Strategic Forum to scope a draft Commissioning, Procurement and Grant Strategy with the Voluntary, Community and Faith Sector and Social Value Framework to help strengthen the potential of the sector to bid successfully when services are commissioned. The Social Value principles will be adopted by officers when implementing all savings in advance of consideration of the full strategy and framework by Cabinet in October 2014.

Furthermore, the Council has adopted the Community Right to Challenge to encourage the third sector to consider which services it might want to develop and deliver in the future.

CVS has supported awareness and future proofing in the sector through the Maximising Public Services study.

CAB – further engagement is needed to understand the potential impact and possible mitigation measures

Voluntary Sector Grants – by holding back the proposed saving until 2016/17 the Council is mitigating the impact of the saving for as long as possible, allowing some time for the Panel to discuss with the sector how best to manage this saving.

Voluntary and community sector organisations are able to bid for and access external funding that the Council cannot always access.

Section 2: Finance, savings and costs

Financial summary

General Fund budget 2014-15

	Staff £000s	Premises / Transport £000s	Supplies/ Services £000s	Direct Payments £000s	Third Party Payments £000s	Total Expenditure Gross £000s	Income £000s	Net Expenditure £000s
2014/15					607			

Staff Related savings

Current number of posts (FTE and headcount)	No Council posts are impacted by this proposal. The number of posts within the sector is unknown at the present time.
Number of posts to be deleted (FTE and headcount)	No Council posts will be deleted as a result of this proposal. The number of posts within the sector is unknown at the present time.
Amount of salary saving (inc on-costs)	No saving to Council salary budgets.

Non- Staff Related savings

Premises and buildings (inc utilities)	n/a
Transport	n/a
Supplies and services	n/a
Other (please specify)	Direct payments to the voluntary sector to enable service delivery

Third Party Related savings/income

Commissioning/contracts	n/a
Charges to the HRA/DSG/PHG (NB can be negative)	n/a
Increase fees & charges	n/a
Grants/additional funding streams	£300k savings over three years
Other (please specify)	n/a

Benefits – non financial

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Costs & Resources to deliver the savings

Direct costs	n/a
Redundancy costs	n/a
Accommodation costs	n/a
Procurement and/or Legal costs	n/a
Other HR costs	n/a
Other (please specify)	Costs to the sector are currently unknown. However these could include redundancy costs and / or the cost of closing a service.

Section 3: Impact/Consequences of proposal – not covered in financial section

Impact on Corporate Priorities/objectives/ performance targets/standards

Priority 1. Create a great place for learning and opportunity	Reductions to the sector are likely to reduce the number of volunteer opportunities in the Borough – roles which enable people to develop new skills
Priority 2. Encourage and promote job creation and economic prosperity	Reductions to CAB will impact on the ability of residents to access financial and legal advice at a time of unprecedented reduction in services and changes to the welfare system. Reductions to the sector impact on the ability of organizations to lever in funding from external funders therefore limiting their ability to contribute to the local economy
Priority 3. Build pride, responsibility and respect to create safer communities	Working in partnership with the sector builds pride and cohesion. The savings are likely to impact on the capacity of the sector to engage with partnership work.
Priority 4. Improve health and well-being	Most of the services affected are likely to have a positive impact on health and well-being so a reduction in capacity will have a negative impact in the borough.
Priority 5. Protect and promote our clean and green environment	The sector contributes to volunteering in the borough as well as empowering citizens to take pride and responsibility, impacting on this priority.
Well-run organisation - financial & governance; staff; customers	The sector plays an important scrutiny role, supporting engagement in effective decision making. Capacity in this area is likely to reduce as a result of the proposed savings.

Impacts on partners

See above.

Impacts on customers / community and equality/diversity implications

Outline impacts above. Further impacts to be included in an EqIA.

Has an EqIA been undertaken?

YES / NO

Date: 10/7/14

Other impacts/implications

High level impacts identified however more information is needed on how the savings will be achieved before a full assessment of impact is possible.

Section 4: Risks and Mitigation

Delivery risks

Risk Description	Likelihood	Impact	Rating	Management or Mitigating Action
Failure to provide as much notice as possible to organisations affected by this proposal will have a negative impact on their ability to plan effectively	1	2	2	Engagement with the sector and as much notice provided as possible

Service risks

Risk Description	Likelihood	Impact	Rating	Management or Mitigating Action
At this stage the full impact on CAB is unknown but the amount of saving suggested is expected to have a significant effect on the capacity of the CAB to provide a service to local residents. This will be at a time when Thurrock Online comes on stream, and when new welfare changes impact residents.	3	3	9	Yet to be determined
The impact on services as a result to budget savings to the voluntary sector grants budget is currently unknown as further discussions will determine	2	2	4	Yet to be determined

For information on the ratings criteria guide, please see <\\Thurdata01\data\THURROCK\EXCHANGE\ROM>

		4	8	12	16
Likelihood	3	6	9	12	
	2	4	6	8	
	1	2	3	4	
					Impact

Section 5: Assumptions, Dependencies & Exclusions

Timeframes Assumptions/ Dependencies/Exclusions	That six months notice is provided exceeding the Compact best practice guidance of three months
Benefits Assumptions/ Dependencies/Exclusions	NA
Costs Assumptions/ Dependencies/Exclusions	NA
Other/ General Assumptions/ Dependencies/Exclusions	NA

Section 6: Stakeholder Engagement Requirements

		Approximate timelines
Staff/Unions	<input type="checkbox"/>	
Portfolio Holders/Members	Y	The Portfolio Holder has been consulted on the proposal. It was included in the report to Cabinet in July 2014. Consultation through Corporate O&S, 24 July 2014
Partners	Y	Kristina Jackson, Chief Executive, Thurrock CVS, has been consulted on this proposal and further consultation will take place through the JSF and more widely with the sector to inform final decision making.
Residents/Public	<input type="checkbox"/>	
Other – please specify	<input type="checkbox"/>	

Section 7: Any other comments to support savings proposals