1. DETAILS OF RECOMMENDATIONS

The Cabinet is asked to:

- Receive the findings and recommendations of the review into the Impact of Voluntary, Community & Social Enterprise (VCSE) sector savings
- Agree to consider and respond to the findings and recommendations within six weeks of receipt

If the recommendations are adopted, how will residents benefit?

<table>
<thead>
<tr>
<th>Benefits to residents and reasons why they will benefit, link to Values</th>
<th>Dates by which they can expect to notice a difference</th>
</tr>
</thead>
</table>

2. REPORT SUMMARY

At the request of Lead Member for Communities, an OSC Task & Finish Group has examined the impact of reductions in funding to the VCSE sector and sought to explore ways of promoting self-financing skills, independence and resilience among VCS organisations. Interviews have been carried out with Hounslow officers and VCS representatives.

The draft findings and recommendations of the Task & Finish Group are as follows:

- Significant reductions in grants have not yet impacted on the sector due to additional Public Health funds, but will be felt in 2016/7
- Reductions in contracts to 2017/8 have largely been met and the sector is adapting, but with renewal due to take place in 2017/8 now is time to ensure an optimal approach is achieved
- It is crucial that the Council’s future approach to funding the VCSE is fully aligned with its own strategy to achieving savings as well as ensuring a resilient
VCSE sector. Three areas highlighted in this review were:

- Any reductions should not reduce preventative or early intervention capacity that would lead to increased demand for more costly statutory services;
- Funding should also retain a focus on supporting the most vulnerable groups (again with an eye towards cost prevention); and
- Targeting funding where it can have the biggest impact in attracting other sources of funding into the borough to offset reductions in Council funding

- This requires single Council-wide ask of the VCSE sector across all departments, clearly set out within the Hounslow Voluntary Sector Compact, and with an emphasis on Social Value within procurement
- This should be supported by clear priorities, targets and measures beyond the high-level outcomes set out in the Thriving Communities Strategy
- Co-design of the ask needs to take place with Hounslow Community ahead of 2017/8 in order to allow time to shape the VCSE market, allowing the sector to adapt and be in the best possible place to meet the Council’s ask
- Support needs to be put in place in parallel to support consolidation and greater use of consortia approaches within the sector
- The asset base within the VCSE sector is inefficient and costly and needs rationalising as a way of reducing costs and increasing sustainability, and might be supported through the community element of the Community Investment Levy.

The full report is attached as Appendix 1.

3. BACKGROUND

3.1 At its meeting on 6 July 2015 meeting, OSC decided, at the request of Lead Member Communities, to include in its work programme an examination of the impact of 2015/6 budget funding reductions to the VCSE sector within their work programme

3.2 A Task & Finish Group comprising Councillors Chatt (Chair), Atterton, Bath, and Collins sought to produce more detailed evidence to help these decisions to be made as well as helping to address the wider questions outlined below.

1. What is the overall impact of reductions in funding to the sector?
2. How can we best promote self-financing skills, independence and resilience among organisations affected by the reductions in funding?
3. What impact will the reductions in funding have upon the sector’s ability to meet expectations to support other Council services and savings proposals?

3.3 At the outset of the review, the Council’s Community Partnerships Unit produced a baseline report on the Impact of Reductions in Funding to the VCSE Sector. This report is been appended to the report of the Task & Finish Group (see Appendix 1 of the report). Thereafter Task & Finish Group interviewed 18 VCS representatives and LB Hounslow officers. Detailed notes have been taken and the notes fed back to interviewees for correction, amendments or additions. These notes have been used as the principle evidence in compiling this report. Subsequent discussions with key officers
and supplementary research was then undertaken to ensure accuracy during the drafting of the report, and to ensure recommendations were robust.

3.4 OSC has considered the report twice, agreeing the attached report at its final meeting of the 2015/6 municipal year. Ahead of bringing the report to Cabinet the Task & Finish Group met with the Lead Members for Communities for both 2015/6 and 2016/7 to discuss the report and its contents.

4. **KEY IMPLICATIONS**

4.1 The report sets out the impact to date of the reductions in funding to the VCSE sector, and the potential future impact. It makes recommendations to mitigate against these and reduce the impact to both the sector itself, and those Council services that rely upon delivery within the sector.

5. **FINANCIAL DETAILS**

a) **Financial Impact On The Budget (Mandatory)**
Scrutiny has no financial decision-making powers. The recommendations emerging from the review, and any financial impact, would be considered as part of the response by Cabinet.

b) **Comments of the Director of Finance and Corporate Services**

6. **LEGAL DETAILS/COMMENTS OF THE HEAD OF GOVERNANCE**

The Overview & Scrutiny Procedure Rules within the Council's Constitution state 'The Council or Cabinet shall consider the report of the Overview and Scrutiny Committee or panels within six weeks of it being submitted to the proper officer. Where this is not possible the Council or the Cabinet in consultation with the chair of the Committee or panel will agree an appropriate timescale for consideration of the report.'

7. **VALUE FOR MONEY**
Not applicable

8. **SUSTAINABILITY IMPACT APPRAISAL**
Not applicable

9. **RISK MANAGEMENT**
Not applicable.

10. **LINKS TO COUNCIL PRIORITIES**
An Ambitious Council which improves the lives of residents and works in a transparent and efficient way.

11. **EQUALITIES, HUMAN RIGHTS AND COMMUNITY COHESION**
The Council has to give due regard to its Equalities Duties, in particular with respect to general duties arising from section 149 of the Equality Act 2010. Having due regard to the need to advance equality involves, in particular, the need to remove or minimize disadvantages suffered by equalities groups.
The Council has considered the relevance of the proposal to the provisions of the Equality Act 2010, in particular for those with the following protected characteristics: age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex, sexual orientation and the Human Rights Act 1998. The assessment concluded that Equalities Duties are not engaged by this proposal. The proposal is also compatible with Human Rights Articles and as the report does not have any significant bearing on the substantive equality duty it is not considered necessary to undertake an Equality Analysis.

12. **STAFFING/WORKFORCE AND ACCOMMODATION IMPLICATIONS**
   Not applicable

13. **PROPERTY AND ASSETS**
   Not applicable

14. **ANY OTHER IMPLICATIONS**
   Not applicable

15. **CONSULTATION**
   Not applicable

16. **TIMETABLE FOR IMPLEMENTATION**
   Not applicable

17. **APPENDICES**
   Appendix 1: Draft Report of the Task & Finish Group

18. **BACKGROUND DOCUMENTS**
   None