

**REPORT TO: POLICY & RESOURCES COMMITTEE – 13 FEBRUARY 2014**

**REPORT ON: REVENUE BUDGET 2014/15: REDUCTION IN THIRD PARTY PAYMENTS**

**REPORT BY: DIRECTOR OF CORPORATE SERVICES**

**REPORT NO: 112 - 2014**

## **1 PURPOSE OF REPORT**

To provide details of the savings that could be generated in financial year 2014/15 from a reduction in third party payments to organisations.

## **2 RECOMMENDATIONS**

It is recommended that:

- the contents of this report are noted
- the savings totalling £935,000 detailed in Appendix A that would be generated through a reduction of 3% in third party payments to organisations in excess of £100,000 per annum are agreed

## **3 FINANCIAL IMPLICATIONS**

The implementation of these recommendations would achieve savings of £935,000 in financial year 2014/2015.

## **4 MAIN TEXT**

- 4.1 The 2013/2014 Final Revenue Budget includes payments to external bodies who receive funding, in exchange for the provision of services on behalf of the Council. It is proposed that, where possible, these payments are reduced to deliver savings required to achieve a balanced budget next financial year.
- 4.2 In order to minimise the financial impact for smaller organisations, it is proposed that a de minimis of £100,000 is applied, and any organisations that receive less than this amount be protected from any reductions to their current level of funding. Where external bodies receive funding from more than one Council department, the total funding provided should be considered to determine whether this threshold is applied.
- 4.3 In addition, it is recognised that a proportion of third party payments are made to organisations that provide employability services. In order to support the delivery of the Single Outcome Agreement and Council Plan priority to create better employment opportunities for our people and maximise the level of match funding from European Social Fund, it is proposed these projects are also protected from any reduction in funding. In maintaining the current level of financial support provided to these projects there should be no detrimental effect to the future commissioning of employability services, as agreed by Policy & Resources Committee on 13 January 2014 (report 9-2014 refers).
- 4.4 A consultation workshop was held with various representatives of the voluntary sector organisations likely to be affected by these proposals on 11 December 2013. The Chief Executive, Director of Corporate Services and other relevant Council departments were represented at these discussions. The Council will continue to engage with all voluntary sector bodies and make every effort to mitigate any adverse impact these financial savings have on the front line services and explore further opportunities to provide any in-kind support where this is possible.
- 4.5 Appendix A details the external bodies who receive total funding from the Council in excess of £100,000 per annum, in exchange for the provision of services. Details of the budgeted third party payments that were included in the 2013/14 Final Revenue Budget together with the level of savings that would be generated in 2014/15 by reducing these budgets by 3% are also provided.
- 4.6 There are a number of external bodies that receive funding from more than one Council department, details of the relevant organisations together with the funding received for each of these projects are included on Appendix B for information.

5 **POLICY IMPLICATIONS**

This report has been screened for any policy implications in respect of Sustainability, Strategic Environmental Assessment, Anti-Poverty, Equality Impact Assessment and Risk Management. An Equality Impact Assessment is attached to this report.

6 **CONSULTATIONS**

The Chief Executive and Head of Democratic and Legal Services have been consulted on the content of this report.

7 **BACKGROUND PAPERS**

None.

**MARJORY M STEWART**  
**DIRECTOR OF CORPORATE SERVICES**

**JANUARY 2014**

**DUNDEE CITY COUNCIL**

**Equality Impact Assessment Tool**

**Part 1 Description / Consultation**

Is this a <b>Rapid</b> Equality Impact Assessment (RIAT) ?	YES <del>NO</del> Please circle
Is this a <b>Full</b> Equality Impact Assessment (EQIA)?	YES      NO Please circle
Date of assessment <b>7 January 2014</b>	Title of document being assessed: <b>REVENUE BUDGET 2014/15: REDUCTION IN THIRD PARTY PAYMENTS</b>
Committee report number <b>112-2014</b>	
1) This is a new policy, procedure, strategy or practice being assessed (If yes please tick box) <input checked="" type="checkbox"/>	This is an existing policy, procedure, strategy or practice being assessed? (If yes please tick box) <input type="checkbox"/>
2) Please give a brief description of the policy, procedure, strategy or practice being assessed.	Dundee City Council contracts with a wide range of organisations to deliver services on behalf of the Council. In addition, a number of organisations receive financial support from the Council in the form of grant funding. The value of this budgeted funding to external organisations is significant and constitutes a large proportion of the Council's overall Revenue Budget. This policy seeks, on an equitable basis, to achieve savings targets required by Dundee City Council
3) What is the intended outcome of this policy, procedure, strategy or practice?	The strategy aims to: <ul style="list-style-type: none"> <li>Reduce the level of local authority financial support to third party organisations on an equitable basis.</li> </ul> <p>It is intended that these saving will not jeopardise the viability of any of these organisations. The intended outcome is that the organisations will reprofile their service delivery along similar lines to that required by the local authority, and that they will continue to deliver valued services on a more efficient and marginally less costly basis than at present.</p>
4) Please list any existing documents which have been used to inform this Equality and Diversity Impact Assessment.	None.
5) Has any consultation, involvement or research with protected characteristic communities informed this assessment? If yes please give details.	A consultation workshop was held with various representatives of the external bodies affected by these proposals on 11 December 2013. The Chief Executive, Director of Corporate Services and various other relevant council departments were represented at these discussions.
6) Please give details of council officer involvement in this assessment. (E.g. names of officers consulted, dates of meetings etc)	The assessment has been undertaken by the Director of Corporate Services together with staff from various other relevant council departments.
7) Is there a need to collect further evidence or to involve or consult protected characteristics communities on the impact of the proposed policy?  (Example: if the impact on a community is not known what will you do to gather the information needed and when will you do this?)	Given the diversity of groups and individuals which benefit from the work the organisations in receipt of third party payments, it has not been possible to carry out specific consultation on the impact of a 3% reduction.  In percentage terms, the level of reduction is, however, similar with that which has been required by Dundee City

	<p>Council to achieve a balanced budget for 2014/15.</p> <p>It would not be possible to say that there was no impact, but equally, there is no evidence of specific negative impact which would come at this stage as a result of these decisions. The impact will ultimately be a result of the way in which the organisations concerned respond to the need for savings and reprofile their own operations to achieve the savings through either minimal service reductions or efficiencies. The overall impact of this policy will be assessed through the Council's existing monitoring procedures with the organisations concerned.</p>
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**Part 2 Protected Characteristics**

Which protected characteristics communities will be positively or negatively affected by this policy, procedure or strategy?

NB Please place an X in the box which best describes the "overall" impact. It is possible for an assessment to identify that a positive policy can have some negative impacts and visa versa. When this is the case please identify both positive and negative impacts in Part 3 of this form.

If the impact on a protected characteristic communities are not known please state how you will gather evidence of any potential negative impacts in box Part 1 section 7 above.

	Positively	Negatively	No Impact	Not Known
Ethnic Minority Communities including Gypsies and Travellers	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Gender	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Gender Reassignment	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Religion or Belief	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
People with a disability	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Age	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Lesbian, Gay and Bisexual	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Socio-economic	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Pregnancy & Maternity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Other (please state)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

**Part 3 Impacts / Monitoring**

<p>1) <b>Have any positive impacts been identified?</b> (We must ensure at this stage that we are not achieving equality for one strand of equality at the expense of another)</p>	<p>If yes please give further details</p> <p>No.</p>
<p>2) <b>Have any negative impacts been identified?</b> (Based on direct knowledge, published research, community involvement, customer feedback etc. If unsure seek advice from your departmental Equality Champion.)</p>	<p>If yes please give further details.</p> <p>See paragraph 7 of part 1.</p>

<p>3) <b>What action is proposed to overcome any negative impacts?</b> E.g. involving community groups in the development or delivery of the policy or practice, providing information in community languages etc. see Good Practice on DCC equalities web page</p>	<p>Please give further details</p> <p>See paragraph 7 of part 1, plus on-going monitoring.</p> <p>Officers from the Council have hosted a workshop with external organisations to discuss the steps which can be taken in partnership between Dundee City Council and the external sector to deliver the changes as a result of this policy. This includes exploring opportunities for the council to open up access to its infrastructure to external organisations, provision of in-kind support and developing a strategic partnership in the longer term with a commitment to hold further workshops.</p> <p>For contracted services, each organisation will be asked to produce an action plan outlining how the savings will be achieved which will be subject to further discussion with lead officers within the council to ensure any impact on direct service provision is minimised.</p>
<p>4) <b>Is there a justification for continuing with this policy even if it cannot be amended or changed to end or reduce inequality without compromising its intended outcome?</b> (If the policy that shows actual or potential unlawful discrimination you must stop and seek legal advice)</p>	<p>If yes please give further details</p> <p>Yes– given the projected restrictions in overall public sector funding over the medium term, not continuing with this policy could potentially lead to further inequities in the future for new service users requiring access to services.</p>
<p>5) <b>Has a 'Full' Equality Impact Assessment been recommended?</b> (If the policy is a major one or is likely to have a major impact on protected characteristics communities a Full Equality Impact Assessment may be required) Seek advice from your departmental Equality lead.</p>	<p>If yes please give further details</p> <p>No.</p>
<p>6) <b>How will the policy be monitored?</b> (How will you know it is doing what it is intended to do? e.g. data collection, customer survey etc.</p>	<p>Please give details</p> <p>Each organisation in receipt of a third party payment has a monitoring officer and an assessment is carried out annually of the requirement for grant and the performance of the organisation.</p> <p>In the case of grants portfolios, the budget holder is expected to monitor the outcome of the portfolio and through this mechanism there will be on-going monitoring of the impact of the reduced budget.</p> <p>All social care contracts are subject to an intensive contract monitoring process with regular meetings held with service providers and submission of service and financial information. Any issues around inequalities will be identified through this process.</p>

**Part 4 Contact information**

**Name of Department or Partnership: Corporate Services**

**Type of Document**

Human Resource Policy	<input type="checkbox"/>
General Policy	<input type="checkbox"/>
Strategy/Service	<input type="checkbox"/>
Change Papers/Local Procedure	<input type="checkbox"/>
Guidelines and Protocols	<input type="checkbox"/>
Other – <b>Budget Saving Strategy</b>	<input checked="" type="checkbox"/>

**Contact Information**

<b>Manager Responsible</b>	<b>Author Responsible</b>
Name Marjory M Stewart	Name As over
Designation Director of Corporate Services	Designation As over
Base Floor 4, Dundee House, 50 North Lindsay Street, Dundee, DD1 5NZ	Base As over
Telephone 01382 433555	Telephone As over
Email <a href="mailto:marjory.stewart@dundeecity.gov.uk">marjory.stewart@dundeecity.gov.uk</a>	Email As over

Signature of author of the policy:

Date 13 January 2014

Signature of Director / Head of Service area:

Date 13 January 2014

Name of Director / Head of Service: Marjory M Stewart

Date of next policy review:

## REVENUE BUDGET 2014-16

## SAVINGS PROPOSALS: REDUCTION IN THIRD PARTY PAYMENTS

Department	Name of Organisation	Budgeted	3%
		Third Party Payments 2013/14 £000	Saving Proposal £000
Social Work	Alzheimer Scotland	179	5
	Barnardos	542	16
	Capability Scotland	750	23
	Carolina House	88	3
	Carr - Gomm Scotland	1,770	53
	Citizens Advice Bureau	32	1
	Cornerstone Community Care	1,704	51
	DAMH	159	5
	DIAS	158	5
	Dundee Blind and Partially Sighted Society	197	6
	Dundee Repertory Theatre	30	1
	Dundee Survival Group	17	1
	Dundee Voluntary Action	81	2
	Dundee Womens Aid	30	1
	Gowrie Care	1,999	60
	Includem	176	5
	Inclusion Group	852	26
	Money Advice Support Team	35	1
	One Parent Families Scotland	251	8
	Dundee Carers Centre (Princess Royal Trust)	471	14
	Richmond Fellowship	575	17
	SACRO	126	4
	SAMH	80	2
	Scottish Autism	1,278	38
	Sense Scotland	868	26
	Turning Point	1,317	40
		<b>13,765</b>	<b>414</b>
Dundee Partnership	Brooksbank Partnership	291	9
	Citizens Advice Bureau (Income Maximisation)	142	4
	Dundee North Law Centre	188	6
	<b>621</b>	<b>19</b>	
Communities & Policy Division	Dundee Rep Scottish Dance Theatre	22	1
	Dundee Rep Creative Learning Team	19	1
	Dundee Rep Main	341	10
	Dundee Contemporary Arts	257	8
	Leisure & Culture Dundee	7,027	211
	Dundee Voluntary Action	39	1
	Anti Social Behaviour	226	7
	<b>7,931</b>	<b>239</b>	

## REVENUE BUDGET 2014-16

## SAVINGS PROPOSALS: REDUCTION IN THIRD PARTY PAYMENTS

<b>Department</b>	<b>Name of Organisation</b>	<b>Budgeted Third Party Payments 2013/14 £000</b>	<b>3% Saving Proposal £000</b>
Other Housing	Dundee Women's Aid	83	2
	Action for Children Services Ltd	65	2
	The Positive Steps Partnership	101	3
	The Positive Steps Partnership	62	2
	Transform Commercial Ltd	105	3
		<b>416</b>	<b>12</b>
Supporting People	Abertay Housing Association	121	4
	Action for Children	938	28
	Bield Housing Association	226	7
	Carolina House	123	4
	Cornerstone Community Care	582	17
	Dudhope Villa	203	6
	Dundee Survival Group	348	10
	Dundee Womens Aid	190	6
	Gowrie Care	1,097	33
	Hillcrest Housing Assoc	201	6
	Home in Scotland	230	7
	Margaret Blackwood	119	4
	Positive Steps Partnership	566	17
	Richmond Fellowship	402	12
	SAMH	218	7
	Sense Scotland	1,069	32
	Servite Housing Assoc	167	5
	The Salvation Army	374	11
	Transform Com Development	771	23
	Turning Point	245	7
Westlands	180	5	
	<b>8,370</b>	<b>251</b>	
<b>Overall Total</b>		<b>31,103</b>	<b>935</b>



## REVENUE BUDGET 2014-16

## SAVINGS PROPOSALS: REDUCTION IN THIRD PARTY PAYMENTS

<b>Department</b>	<b>Name of Organisation</b>	<b>Budgeted Third Party Payments 2013/14 £000</b>
Supporting People	Action for Children	938
Other Housing	Action for Children Services Ltd	65
Social Work	Money Advice Support Team (Brooksbank Partnership)	35
Social Work	Carolina House	88
Supporting People	Carolina House	123
Social Work	Citizens Advice Bureau	32
Dundee Partnership	Citizens Advise Bureau (Income Maximisation)	142
Social Work	Cornerstone Community Care	1,704
Supporting People	Cornerstone Community Care	582
Communities & Policy	Dundee Rep Creative Learning Team	19
Communities & Policy	Dundee Rep Main	341
Communities & Policy	Dundee Rep Scottish Dance Theatre	22
Social Work	Dundee Repertory Theatre	30
Social Work	Dundee Survival Group	17
Supporting People	Dundee Survival Group	348
Communities & Policy	Dundee Voluntary Action	39
Social Work	Dundee Voluntary Action	81
Social Work	Dundee Womens Aid	30
Supporting People	Dundee Womens Aid	190
Other Housing	Dundee Womens Aid	83
Social Work	Gowrie Care	1,999
Supporting People	Gowrie Care	1,097
Social Work	Richmond Fellowship	575
Supporting People	Richmond Fellowship	402
Social Work	SAMH	80
Supporting People	SAMH	218
Social Work	Sense Scotland	868
Supporting People	Sense Scotland	1,069
Other Housing	The Positive Steps Partnership	101
Other Housing	The Positive Steps Partnership	62
Supporting People	Transform Com Development	771
Other Housing	Transform Commercial Ltd	105
Social Work	Turning Point	1,317
Supporting People	Turning Point	245