



**ROCHDALE**  
METROPOLITAN BOROUGH  
**COUNCIL**

**ITEM NO. CC109**

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**Subject:** Review of Voluntary Sector Grants- Housing

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**Report of:** Donna Bowler (author)  
(Service)Customer and Communities

**Email:** donna.bowler@rochdale.gov.uk  
**Tel:** 924849

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**Cabinet Member:** Councillor Terry Linden - Portfolio Holder for Regulatory Services and Housing

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## **1. RECOMMENDATIONS / DECISION REQUESTED**

- 1.1. That the proposal to save £300k with the reduction phased over 2 years of the current Voluntary sector grants administered by Strategic Housing Services relating to Brentwood Day Care Centre and Petrus Community is agreed as a basis for consultation

## **2. REASONS FOR RECOMMENDATIONS**

- 2.1. There are few areas of funding or expenditure that are available to the Housing Section from where savings can be made. Strategic Housing Services has supported both Brentwood Day Centre in Middleton and Petrus Community in Rochdale over the past 15 years and the Council has yet to reduce the grant to both of these organisations through all the previous phases of Council savings. However with the requirement of the increasing savings target for 13-14 and 14-15, the reduction in staffing levels within the housing service to support mandatory and statutory services and the priorities within the Council's blueprint the only remaining General fund budget within the housing service is the Voluntary Sector Grants that support Brentwood Day Care Centre and Petrus Community.

## **3. ALTERNATIVE ACTIONS CONSIDERED**

- 3.1. There are several options that members could consider as set out below
- The VSG that they currently receive in 2012-13 is reduced by 25% in 2013-14 and in 2014-15 the remaining 75% is withdrawn subject to a substantive review in 2013-14 of the services provided by Petrus and Brentwood.
  - A further option could be considered as part of the consultation process with both Petrus and Brentwood to encourage both organisations to work together on a reduced level of funding to deliver on the Council's outcomes or to work with similar organizations in their locations.
  - The complete withdrawal of the grant from both organisations from April 2013 onwards.

## **4. BACKGROUND & SUMMARY**

- 4.1. The Strategic Housing team has been working with both Voluntary Sector organisations in the context of Council's financial position and the savings that may be required in 2013-14 and 2014-15.
- 4.2. Brentwood Day Care Centre is currently funded through a Voluntary Sector grant of £109,237.00 administered by Strategic Housing through an Agreement for 12 months only. The agreement is for the provision of services that support Rochdale homelessness service to prevent homelessness and support people at risk of homelessness to achieve and maintain independence. The Agreement includes an annual target of 200 people prevented from becoming homeless and an annual target of 45 rough sleepers that have accessed the services at the Day Centre with 25% less funding in 2013-14 and 75% in 14-15 subject to a substantive review there will be the need to also reduce the annual targets and outcomes by 25% in 2013-14.
- 4.3. Petrus Community is also funded by an annual Voluntary Sector Grant of £190,596.00 administered by Strategic Housing through an agreed Service Level Agreement for 12 months only. RMBC Homelessness services and Petrus Rochdale have worked in partnership for a

number of years to provide services to homeless people and people at risk of becoming homeless in the Borough. The Agreement includes an annual target of 275 people prevented from becoming homeless and support to 40 rough sleepers that have accessed the services at the Hub with 25% less funding in 2013-14 and 75% in 2014-15 subject to a substantive review there will be the need to also reduce the annual targets and outcomes in 2013-14 by 25%.

- 4.4. As part of our Agreement we have established the need to develop an Exit Strategy with both organisations that will be in place by December 2012 the exit strategy will also include an Impact assessment.
- 4.5. The Exit strategy for each organisation will reflect the Impact of the phased reduction in grant across the two years. Strategic Housing Services will continue to work in partnership with both Petrus Community and Brentwood and provide them with support throughout this process.

## 5. CONSULTATION UNDERTAKEN / REQUIRED

- 5.1. Consultation will be required with Brentwood and Petrus Boards their staff teams, service users and local members.
- 5.2. Discussions with Asset Management team as Brentwood Day Centre is a Council owned building that is leased to Middleton Day Centre. The Petrus Community currently leases 2 buildings from the Council. The buildings are Greave House located on Greave Avenue, Rochdale and the Petrus Hub situated on Great George Street, Rochdale.

## 6. FINANCIAL IMPLICATIONS

### 6.1. Theme 2

### 6.2. Proposal Title - Withdrawal of Voluntary Sector Grants

### 6.3. Breakdown of Savings from the Service

Service Name: Customers and Communities

Area of Service: Strategic Housing Service

Cost Centre affected:

Is this a cost or additional saving:

	Savings 2013/14 £000		Savings 2014/15 £000		Total Savings £000	
	Ongoing	One Off	Ongoing	One Off	Ongoing	One Off
Employees						
Other Costs						
Income lost (Show as minus)						
Net Savings						
Additional Income Generated (show as a positive figure)						
<b>Total Savings</b>						
Implementation Costs						
<b>Total Savings less Implementation Costs</b>	<b>75</b>		<b>225</b>		<b>300</b>	

The total saving proposed over 2 years represents all of the grants to voluntary organisations currently funded from the Strategic Housing budget.

### 6.4 Financial Impact on another service? YES

### 6.5 Details of the Financial Impact on another service

**Petrus Day Care centre currently receive a voluntary grant of £25k from adult care mental health services. Adult services have confirmed that they will continue to fund Petrus.**

There may be people accessing the services at Brentwood and Petrus who qualify for a community care assessment which will possibly increase the cost of adult care services. Petrus use the voluntary sector grant funding to support services exclusively delivered via the Hub. The withdrawal of this funding will have a direct affect upon the ability of Petrus to continue to operate a service at the Hub which currently operates upon an annual budget of £233k. If the proposal is agreed by members the Council will work with Petrus on the exit strategy to ensure that the Hub can continue to operate with the 50% reduction in each year. The reduction and or loss of this service will have an inevitable impact upon statutory and front line services including a potential increased demand upon Adult Care services. However, as a significant proportion of the people that access services at the Hub are excluded from other services including those funded by Adult care the impact upon statutory services will be felt directly

## **6.6 Voluntary Sector Financial Impact**

- 6.7 Brentwood is in the majority funded by this voluntary sector grant. They actively seek and have in the past accessed additional funding via Charitable Funds. They have received small funding grants from Lloyds TSB to assist in the provision of catering facilities on site.
- 6.8 The funding that Petrus Community receive via this voluntary sector grant directly supports services delivered through The Hub at 73 George Street including staff and volunteers. It also helps to fund future development activities.
- 6.9 As stated in 6,5 above Petrus Community receives additional funding via Adult Care contract as part of the consortium of services that provide support for people accessing Mental Health services. This is specifically around the provision of supported accommodation. In addition they receive additional funding from Adult care to support the generic services that they offer to people with mental health issues that access their services at the Hub and elsewhere.

## **7. LEGAL IMPLICATIONS**

7.1.

## **8. PERSONNEL IMPLICATIONS**

- 8.1.
- 8.2.
- 8.3.

## **9. RISK ASSESSMENT IMPLICATIONS**

- 9.1 Brentwood provides a Day Centre facility in Middleton aimed primarily at supporting 200 single people that are at risk of becoming homeless or have previously been homeless and support 45 rough sleepers to access services at the Day Centre. This includes some people that are excluded from other main stream services. In addition, the service has worked closely with a number of compatible services including Community Drugs Outreach Team and other DAAT funded services. The loss or reduction of the service may result in an increase in people at risk of losing their home.
- 9.2 With reduced funding people currently accessing Brentwood would need to be sign posted to alternative services operating within the Borough. The Lighthouse project based at Warwick Mill in Middleton that offers a broad range of services and self help support that promotes and encourages independent living. However, it does not provide crisis or emergency intervention specifically aimed at preventing homelessness
- 9.3 Petrus Community deliver a range of services aimed primarily at supporting 275 single people that are at risk of becoming homeless or have previously been homeless and supports 40 rough sleepers to access their services at the Hub.
- 9.4 Although activities are based around The Hub they also offer services across the Borough. The Hub provides a range of services and opportunities including vocational and non-vocational training, access to social enterprise, support with health and well being and some emergency intervention work with people sleeping rough or at risk of sleeping rough.
- 9.5 Petrus Community are currently developing a number of social enterprise initiatives that will provide training and employment opportunities as well as developing new funding streams. The reduction and or loss of voluntary sector grant is likely to result in reduction or loss of all services delivered at the Hub and may undermine the ability of the organization to continue to develop new services.

- 9.6 With reduced funding people currently accessing services at the Hub would need to be sign posted to alternative services. MIND provides advocacy and support for people with Mental Health issues and referrals can be made to mental health allocation Panel for people with a mental health diagnosis. Similarly, people with a diagnosed Learning Difficulty can be referred to the Adult Care Learning Disabilities Team for referral on to specialist support service or can self refer to a number of service providers in the Borough.
- 9.7 People at risk of homelessness as a result of complex needs or other vulnerabilities can be sign posted to statutory services or the Central Access Information and Advice Service operated on behalf of the borough by Shelter.
- 9.8 Generic advice on a range of housing issues or related issues can be sign posted to Rochdale CAB that are contracted to provide an advice service for the Borough.
- 9.9 A number of specialist services are available for people with issues relating substance misuse that are supported through funding allocated via the DAAT. This includes drop-in and quick access services for people with drug problems as well as longer term support regimes including access to Tier 1 to 4 services.

## **10. ASSET IMPLICATIONS**

- 10.1.1 Brentwood is based at 115 Long Street Middleton. The building belongs to the Council and is provided to Brentwood on a 10 year lease. There is a small annex attached to the building that has previously provided a Needle exchange facility funded through a DAAT contract.
- 10.1.2 Petrus has leasing arrangements with both the Council and other registered providers on several properties currently used to provide supported accommodation for vulnerable adults. Petrus currently lease 2 buildings from the Council these are Greave House and the Petrus Hub. Both leases have expired and are being held over.
- 10.1.3 Petrus are responsible for repairs and maintenance of both buildings under the existing leases and have rent commitments of £690.00 per annum for Greave House and £960 per annum for the Petrus Hub.
- 10.1.4 In July 2011 Cabinet approved the asset transfer of Greave House flats on a 125 year lease to Petrus which is an accommodation based service which supports people with mental illness/complex needs. The Council are in the process of finalising the lease which will be at a peppercorn rent. Under the lease Petrus will be responsible for all maintenance and repairs. . As the service at Greave House is mainly funded through grant provision from adult care services and the primary care trust it is not likely to be affected by any withdrawal of voluntary sector grant funding
- 10.1.5 Petrus has recently submitted an asset transfer request to the Council for the Petrus Hub. Consideration is currently been given to this request. The majority of the Councils existing voluntary sector grant funding to Petrus is invested in the services provided from the Hub. The reduction and or withdrawal of this funding is likely to have implications for the future provision of services in this building
- 10.1.6 Brentwood currently lease Middleton Day Centre. The lease commenced in 2008 and is for a 10 year period £250 rent per annum for the first 5 years until 2013 and then open market rent for the final 5 years. Under the terms of the lease Middleton Day Centre are responsible for the maintenance of the building. The reduction in grant that supports service users in the Day Centre could put the scheme at risk of closure.
- 10.1.7 The 25% reduction in grant in 2013-14 and 75% in 2014-15 to Brentwood and Petrus could lead to both organisations considering the potential closure of services provided at Middleton Day Centre and the Petrus Hub buildings they lease from the Council. In the event that this occurs the Council could be requested to accept a surrender of the leases for these buildings. Whilst the Council would not be legally required to accept the surrender of leases it would need to give consideration to any such request especially if the buildings were to be left empty.
- 10.1.8 In the event that services at Brentwood and the Petrus Hub ceased to operate reliance would be placed on other organisations, mainly from the voluntary sector who provide similar support services, although they will not replace the range of services offered at these two schemes. Organisations which currently provide support and advice services to the client groups served by the Petrus Hub and Brentwood are the Citizens Advice Bureau, the Council's Central Access Service, the Salvation Army, Rochdale and District Mind, Bridges and the Hebron Church all of which are located in Rochdale. Within Middleton there is the Lighthouse Project and in Heywood there is the Recovery Republic project.

## **11. JOINT WORKING**

- 11.1 Strategic housing has worked with both organizations to ensure that they are delivering services that assist the council in achieving its corporate aims and objectives. The current Agreements reflect this and are reflected in the Impact Assessment. We will continue to work with both organizations on their exit strategy and work with them to access other alternative sources of funding.

## **12. EQUALITIES IMPACTS**

### **12.1 Workforce Equality Impacts Assessment**

This proposal has no staffing implications for the Council and therefore there are no workforce equality issues arising from this report.

### **12.2 Equality/Community Impact Assessments**

- 12.3 The current and projected outcomes in relation to the schedule of services commissioned for 2012-13 for Brentwood and Petrus are contained in the appendices to the Agreements and are available from Strategic Housing Services.
- 12.4 Petrus Community has been providing services for vulnerable people in the Borough for 40 years and is considered to be a well established resource. Similarly, Brentwood was established in 1989 as a result of concerns about homelessness issues in Middleton and the surrounding area. It has been particularly effective in enabling other critical services to engage more effectively with particular client groups such as substance misuse and people with previous offending history.
- 12.5 The reduction of funding across both years will affect people with Mental Health issues, people at risk of offending, people with substance misuse and people with Learning Difficulties.
- 12.6 The reduction and loss of preventative and interventions that these services enable people to access prevents them from having to access statutory services or falling into crisis.
- 12.7 Whilst Petrus Community does not solely rely upon voluntary sector grant for the full range of services that they provide across the Borough, if they are unable to generate sufficient new income to replace the amount that they would lose each year in voluntary sector grant this may seriously undermine their ability to continue to provide accommodation based services.
- 12.8 Brentwood is in the main funded entirely by the VSG; the 25% reduction in funding in 2013-14 may undermine their ability to operate the Day Centre and discussions with their Board will need to take place as soon as possible and a detailed exit strategy put in place to reflect this.

## **13. VOLUNTARY SECTOR IMPACTS**

- 13.1 The reduction and/or loss of these services may have an adverse impact upon the community as those people that are currently supported may become homeless or may revert to anti-social lifestyles; in particular those with a recent offending history with no settled address and not engaged in meaningful activities are far more likely to re-offend.

<b>Background Papers</b>	
<b>Document</b>	<b>Place of Inspection</b>
Appendices on performance	Strategic Housing services