

Report of: Neighbourhood Renewal Business Manager

Title: Pathways Workshop

Ward: Blackbird Leys

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Key Decision: No

Lead Member: Councillor Dan Paskins

Scrutiny responsibility: Community

RECOMMENDATIONS

That the Executive Board agrees to:

1. Consider the two options and chose a course of action
2. To note the officers recommendation to chose option 2 (not to fund) and be aware that the Portfolio Holder recommends Option 1
3. To request that South East Area Committee would nominate a Member to become a Board Member of Pathways if funding was granted.

1. Summary

The Pathways Workshop has approached the Council with a request for financial support in the short term. This request is outside of normal process (grant applications) or procedures. This report offers two options.

1. That £30,000 be set aside in 2005/06 so that it can be drawn down by Pathways if required. The funding will be used to provide support for Pathways until additional funding from other sources can be provided. That an Elected Member from the South East Area Committee join the Pathways Board to ensure correct use of the grant and assist in the Companies development longer term.
2. That financial support cannot be found this financial year 2005/06 without cutting other services, but officer time be allocated to assist in securing other funds.

2. How does it fit in with the Council's Vision and strategic aims

The Pathways Workshop contributes towards the Council's aims through Creating local prosperity and sustaining full employment.

3. Background and context

Pathways currently provide supported employment for 21 people with a range of physical and learning difficulties (20 of whom are City residents). These people are not able to work in an unsupported environment. They are not disabled enough to qualify for therapeutic earnings (as at work placements such as Restore funded through the state).

The staff gets a full wage for the work that they do and this means that they are not dependant upon benefits.

Pathways do not currently receive any funding from Oxford City Council, the County Council or the Job Centre Plus (the old Employment Service/Benefits Agency). They depend upon grants, contracts, fundraising and donations.

Pathways have recently lost a large contract for £35,000 (the contract went to Eastern Europe). In addition they lost an Environmental Action Fund Grant of £38,000 per annum.

The organisation had built up some reserves but these have been used up to cover the loss of the Environmental Action Grant.

Pathways are currently working with the Shaw Trust to develop a Business Plan. The Business Plan shows a £43,000 deficit per annum (based on the premise that they retain all the existing contracts).

Officers have requested a copy of Pathway Accounts and Business Plan. Officers have received the accounts. The accounts show a continuing trading loss. Pathways consider a grant of £30,000 will enable them to continue to operate until additional, long term funding can be secured.

Whilst trading at a loss, little in the way of cost cutting or streamlining has been obvious. The business is not viable in its current structure and will become unsustainable without some restructuring.

4. Details of others who have been consulted (if appropriate)

There has been no formal consultation in relation to the proposals set out in this report but Pathways are well supported by their local community.

5. Response to Forward Plan consultation (if key decision)

Not a Key decision

6. Advantages and disadvantages of the options considered

Officers have discussed the difficulties facing Pathways with Oxfordshire County Council and the Employment Service. Although both these agencies support the work of the organisation they have no plans to provide funding. It is worth noting however that the statutory responsibility for individuals with problems faced by the users of the Pathways project

sits with the County Council through its Health and Social Care Department.

The Job Centre Plus manages the New Deal for Disabled programme, however the individual users of the Pathways project do not qualify for assistance under the criteria of the programme. If unemployed they would be entitled to the normal Job Seekers Allowance (although this would be assessed by Job Centre Plus on an individual basis).

There has been no indication from the project that it would consider a restructure and down sizing of its employees until it can regain larger contracts.

ADVANTAGE	DISADVANTAGE
OPTION 1.	OPTION 1
<p>Giving a grant of £30,000, which would be drawn down on a monthly basis, would provide the project with the support it needs to continue operations in the short term. This would give the project time to secure further funding from other sources.</p> <p>This grant would also secure the employment of 20 disadvantaged residents of Oxford in the short term (12 months or less)</p> <p>Having a City Councillor on the Company Board would enable the Authority to have a degree of influence over the grant and future developments of the Company.</p>	<p>Within the current budgetary constraints 2005/06 any grant/award would require a reduction in other areas/projects. This would have a negative effect on other communities/individuals/services</p> <p>There is no guarantee that the organisation can secure the long term funding it requires. This may result in further requests for funding.</p> <p>This would cushion the organisation from the realities of trading and management of a business.</p> <p>The statutory responsibility for the well being of individuals accessing the project is with the County Council. Funding this project may be seen as relieving them of their responsibility.</p> <p>Responding to a request, which is outside of the accepted practice and processes, may well be setting a precedent in the Authorities allocation of funding.</p>

ADVANTAGE	DISADVANTAGE
OPTION 2.	OPTION 2.
<p>Not providing the funding from reserves would not set the precedent and therefore negate further requests from other organisations for similar special treatment.</p> <p>This would focus organisations into applying to the City's grants programme. Providing a strategic direction for community/voluntary sector organisations. Therefore meeting the aims of the improvement plan, Oxford Plan and the Community Plan.</p> <p>This may also focus the statutory responsibility of the County Council in favour of supporting the project. An Officer resource can assist the project in securing funding</p>	<p>Not providing the funding may mean the organisation can not continue in its current form</p> <p>A number of individuals may lose their place.</p> <p>The project fails to meet the criteria for the grants programme.</p> <p>The County Council will not fund the work</p> <p>Officers of the City Council may be unable to assist the project meet its funding targets.</p>

CONCLUSION:

It is the view of Officers that Option 2 is the most preferred solution to this request. Based upon the advantages and disadvantages, future development, sustainability and minimisation of Council exposure to repeat requests for funding from similar organisations.

7. Financial implications

The cost of the grant would fall upon the Social Inclusion "Closing the Gap" funding. This budget head is held in Neighbourhood Renewal. The Portfolio Holder has assessed the impact of a £30,000 reduction and is willing to stand the reduction.

8. Legal Implications

There are no Legal implications

9. Staffing Implications

There are no staffing implications for Oxford City Council

THIS REPORT HAS BEEN SEEN AND APPROVED BY:

Portfolio Holder: Dan Paskins

Strategic Director: Michael Lawrence

Legal and Democratic Services: Jeremy Thomas

Financial Management: Claire Reid

Background papers: None