

Our Ref:
Date: 18 February 2021

Dear Community Fund Partner,

RE: Community Fund Savings Proposals

I trust you are well and keeping safe in these difficult times.

I am writing to you regarding the recent consultation exercise the council has undertaken in respect of Community Fund savings proposals, which we are seeking in response to our serious financial situation.

I am grateful to all of you who responded to the consultation and thank you for taking the time to do so. I realise this is a very challenging period for many of you, and I want to extend particular thanks to those organisations that were able to put their ideas forward for possible savings.

Overwhelmingly, as anticipated the consultation highlighted the extent of the challenge the proposed savings (£400k in 2021/22 and £400k in 2022/23) will present for the sector, which we entirely recognise.

With this in mind, and to ease the transition for partners as we work on reframing our approach to supporting the sector in line with our new priorities, we have decided to delay seeking savings in this first year relating to the majority of 'Outcomes' contracts. These will now be sought in the financial year 2022/23, rather than in 2021/22 as had previously considered.

We hope to use this additional time to have further dialogue with partners regarding how future savings can be further mitigated, ahead of likely changes to contracts in time for 2022/23.

Whilst I hope this news comes as a partial relief to some partners, this has only been possible thanks to the short-term savings that were identified by partner organisations and I am grateful to you all for your understanding and constructive approach to responding to the council's financial position. Regrettably, this has also meant some difficult decisions have also had to be made in respect of other sector organisations that the council currently supports through the Community Fund.

In evaluating those responses, we are mindful of the representations made to us with regard to the importance of continued support to smaller sector organisations. We will continue to keep this under review. However, we are clear that any continued council funding must be able to speak to our need as a council to reduce demand for council services. This is crucial to our key priority of putting our finances on a much firmer footing. Therefore, and with a view to achieving a more balanced approach in respect of our relationships with partner organisations, we are proposing to take the following actions:

- We will be reviewing a small number of the contracts where we think in-year changes are required. We will make contact with the organisations in question by 5th Mar 2021.
- Rescind the £100,000 'Emerging Needs' Fund previously set aside for new, unforeseen challenges.
- Rescind the £100,000 Small Grants Fund.
- Cease further funding to those organisations that were awarded a one-year contract.

These proposed changes will be subject to formal approval of the budget on 1st March at Cabinet and 8th March at Full Council.

In closing, I would again like to place on record the council's gratitude for all you do for Croydon's residents and we remain committed to seeking to support the sector. It is also very much my hope that over the coming months, we are able to work together to forge a new approach that will enable us to deliver our shared objectives to continue to serve our people here in Croydon.

Yours sincerely



Cllr David Wood

Cabinet Member for Communities, Safety & Resilience