



17th August 2006  
Address for Correspondence

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Dear Councillor

#### PROPOSED CHANGES TO THE ALG GRANTS SCHEME

I am writing on behalf of the three major trade unions that organise workers in the voluntary and community sector to raise our grave concerns about the proposal to cut the ALG Grants Scheme funding by a third. If these proposals go ahead it will inevitably lead to a loss of hundreds of jobs across London.

The proposals state that money will be 'repatriated' to Boroughs for them to distribute locally. However, there is no guarantee that Boroughs will use the funds for that purpose or that they won't replace other funds. The consequence of these proposals could be to remove millions of pounds from the sector at a time when both the government and opposition parties are talking about an increased role for the community and voluntary sector.

As trade unions we are not just concerned about the impact this will have on our members who provide these valuable services. Tens of thousands of our members benefit from the services that organisations funded by the ALG Grant Scheme provide. Many of these members are from disadvantaged groups from a diverse range of social, economic and cultural backgrounds.

There are proposals to change the priorities of funding criteria. As trade unions we fear that inverse political correctness may mean that the most marginalised and discriminated against may be left behind.

As you will be aware one of the perennial problems the community and voluntary sector face is insecurity of funding and cliff edge changes in funding levels. If there is a genuine ethically based reason to change funding priorities then this should be done on an incremental basis to give organisations and the clients they serve an opportunity to adapt and cope with the period of transition. If these proposals go ahead as they stand then there will undoubtedly be massive uproar and hurt and our members will find themselves in the front line.

We call on you to use all of your good offices and endeavours to pull back the ALG from going down this route. Instead the ALG should work with all stakeholders including the trade unions to have a rational debate about funding of the sector in London and to set out procedures for a smooth transition to any new direction.

If you would like to discuss this further please do not hesitate to contact us.

Yours sincerely

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