

Item No.	Classification: Open	Date: 14 March 2011	Meeting Name: Cabinet Member for Community Engagement & Equalities
Report title:		Voluntary Sector Transition Fund 2011 / 12	
Ward(s) or groups affected:		All	
From:		Deborah Collins, Strategic Director of Communities, Law & Governance	

RECOMMENDATIONS

1. That the cabinet member approves the recommended initial allocations from the Transition Fund for voluntary sector organisations set out in Appendix 1 to this report.
2. That the cabinet member notes the approval by the Finance Director in consultation with Cabinet Member for Finance, Resources and Community Safety and Cabinet Member for Health and Adult Social Care of the release from 2011/12 contingency provision set aside for support of contracts with day care and lunch club providers, as set out in Appendix 2 to this report.

BACKGROUND INFORMATION

3. On 22nd February 2011 Council Assembly agreed the council's budget. Included in the budget proposals is a £1.5m Transition fund over the next two years that will provide interim support in helping VCS organisations make the changes necessary to meet the challenges from reduced public sector funding and in order to develop a more sustainable sector.
4. As part of the same report, it was agreed to set aside a sum of £500,000 from corporate contingency to support those contracts with day care and lunch club providers due to end on 19 April 2011. This was a separate provision and subject to agreement by the Finance Director.
5. Approval of grants over £2,500 under the community support programme is a matter for the Cabinet Member for Community Engagement & Equalities (Constitution: Clauses 2 and 5 Part 3D) and will be considered via individual member decision making (IDM).
6. The purpose of the transition fund is to enable organisations to become more sustainable in the current climate and includes:
 - Development of fundraising strategies/funding bids
 - Support with business plan development
 - Enabling development of mergers and collaborations
 - Enabling sharing of back office costs/shared services
 - Development of initiatives that will support third sector organisations to engage with the personalisation agenda
 - New models of service provision/innovation/ doing it more effectively and efficiently/ and realising savings

It is not intended to replace lost funding or cover running costs for existing service delivery.

Timescale

7. The timescale outlined below has been followed in order for successful organisations to receive the funding in time for them to re-configure their services, and/or put arrangements for merger or collaboration in place as their funding may be subject to reduction.

8 February 2011	Cabinet agrees a final balanced budget
15 February 2011	Final budget agreed to be presented to Council Assembly
16 February 2011	Fund Advertised (subject to budget). CAS ebulletin. J4b.
25 February 2011	Deadline for receipt of completed applications
28 Feb- 04 March 2011	Assessment by Officers and Advisory Panel
14 March	IDM report on decisions published
22 March	IDM on awards taken (Note: this is earliest decision date, if the decision is taken later other timings will be adjusted accordingly)
22 March	Notice of decision published and call-in period commences
30 March	End of call-in period
w/c 29 March 2011	Notification to successful organisations

KEY ISSUES FOR CONSIDERATION

8. All voluntary sector organisations currently funded by the council were written to in February inviting them to apply to the council's Transition Fund. The availability of this fund was also promoted via the council's website and Community Action Southwark's (CAS) e-bulletin. CAS was also available to support and advise on the application process in an effort to maximise take-up of the funding.
9. As a result of openly advertising the Transition Fund in February 2011 a total of 91 applications for the £1m fund were submitted totalling £2,061,908. The applications received fall within the thematic funding programmes administered by several council departments.

10. All council funded voluntary sector organisations were provided with guidance on the application process and criteria against which their applications would be assessed.
11. For day centres and lunch clubs currently contracted until 19th April 2011, the Director of Health and community Services has been in discussions with all existing providers with a view to agreeing allocations from the contingency sum set aside in order to make a recommendation to the Finance Director for release. Applications were invited and these were received up to Friday 11th March 2011.
12. These applications have been subject to their own process and the Finance Director has agreed the proposed allocations contained in appendix 2 of this report. These allocations represent funding for these contracted bodies through to the end of August 2011 and represents the earmarking of funds of approximately £475k. Allocations to each organisation will be subject to Gateway 3 approvals.

Assessment and proposals for funding

In assessing the applications for the Transition Fund officers applied a robust process of scoring against the criteria. This consisted of 3 stages designed to inform the final recommendations of the Advisory Panel which consisted of council officers from relevant council departments together with CAS as the designated voluntary sector partner. The criteria for each of these 3 stages are set out in Appendix 3 to this report.

13. Decisions not to progress groups through to the final stage recommendations were based on the following;
 - Any organisation scoring a zero against one or more of the criteria
 - Organisations requesting sums which exceeded the current overall level of council funding awarded to the organisation
 - Organisations whose funding is not likely to reduce in the main or where reductions will have a lower impact on both users and the organisation
 - Those organisations where council's decision-making process has yet to be formally signed off and therefore cannot provide evidence or give reason to believe that there will be a reduction in funding
 - Those organisations with applications pending for the lottery national Transition Fund because of the potential for it to be considered double funding and potentially impact on the organisation's ability to secure this funding.
14. The advisory panel were provided with information on all applications. None were excluded and a robust process of challenge of the scoring process was carried out at every stage. CAS was involved in the process from the outset.

15. The total funding recommended at this stage is £333,864 with a further possible allocation of £666,136 in the second round excluding additional applications which may subsequently be submitted.
16. Groups provisionally recommended for funding as a result of this first round will be assessed as part of a second round when definitive decisions on funding for 2011/12 are formally approved. The council will reconsider these applications without the need for the organisation to reapply and also providing the opportunity for groups to provide or revise the initial submission.

Community impact statement

17. The purpose of the Transition Fund is to develop a more effective and sustainable voluntary and community sector at a time when the government is withdrawing funding to the public sector. The voluntary and community sector reflects the diversity of the borough and provides vital services to residents in an area of relatively high levels of deprivation and disadvantage.
18. An Equalities Impact Assessment has been undertaken on the Transition Fund process. The aim of the fund is to help mitigate the effects of the reductions in public sector funding to the VCS. The fund will therefore have a positive community impact in the current difficult financial circumstances.

Resource implications

19. The proposed allocation of £333,864 as set out in the Policy and Resourcing Strategy as agreed by Council Assembly on 22nd February 2011 is within the agreed budget. Therefore budgetary provision has been made.

Consultation

20. Consultation was undertaken with Community Action Southwark and across council departments prior to the implementation of the transition fund. The budget proposals that were agreed by the Cabinet on 25 January 2011 and included the proposal to establish the fund and the criteria of the fund were published for consultation prior to agreement by Council Assembly on 22 February 2011.
21. Community Action Southwark and officers from across the council were on the advisory panel and fed into the process of making the recommendations set out in this report.

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Finance Director

22. The Finance Director notes the recommendation to the cabinet member for Community Engagement and Equalities for the allocation from the 2011/12 Voluntary Sector Transition Fund in accordance with protocols agreed by Cabinet in February 2011.
23. The Finance Director confirms that he has agreed to the recommended allocations from earmarked contingency to support those contracts with day care and lunch club providers due to end on 19 April 2011. These

organisations are listed in Appendix 2. This represents an allocation in 2011/12 amounting to approximately £475,000. He has agreed these allocations in consultation with the Cabinet Member for Resources and Community Safety and the Cabinet Member for Health and Community Services.

Strategic Director of Communities, Law & Governance

24. Section 2 (1) of the Local Government Act 2000 ('the 2000 Act') gives the council a discretionary power to promote wellbeing where it considers this will achieve any one or more of the following objectives:
- the promotion or improvement of the economic well-being of its area;
 - the promotion or improvement of the social wellbeing of its area;
 - the promotion or improvement of the environmental wellbeing of its area.
25. Section 2(2) of the 2000 Act states the power can be used in relation to, or for the benefit of, any one or more of the following categories:
- the whole of the council's area;
 - a part of the council's area;
 - all persons resident or present in the council's area;
 - any person resident in the council's area.
26. Section 2(4) of the 2000 Act lists some of the potential sorts of activities that the council can undertake under the wellbeing power namely:
- (a) incur expenditure;
 - (b) give financial assistance to any person;
 - (c) enter into arrangements or agreements with any person;
 - (d) co-operate with, or facilitate or co-ordinate the activities of any person;
 - (e) exercise on behalf of any person of any functions of that person; and
 - (f) provide staff, goods, services or accommodation to any person.
27. Pursuant to section 2(3) of the 2000 Act in exercising the wellbeing power, the council must have regard to its community strategy which it has a duty to prepare under section 4 of the same.
28. The establishment of the voluntary sector transition fund falls within the scope of the kind of activities the council can undertake under the power of wellbeing. The fund would achieve the promotion or improvement of the economic, social and environmental wellbeing of the council's area. It is also confirmed that the Southwark 2016 document (the council's sustainable community strategy) states that the promotion or improvement of the economic wellbeing of the council's area is one of its express objectives.

Equalities Impact Assessments

29. Positive equalities obligations are placed on the council, sometimes described as equalities duties with regard to race, disability and gender. These equalities obligations have been considered as part of the assessment undertaken for the initial allocations from the Transition Fund and equalities impact assessments have and will be undertaken. The focus of the impact assessments has been to mitigate the effect of the reduction in public sector funding on voluntary sector organisations. Equality impact assessments are an essential tool to assist the Council in complying with its equalities duties and to make decisions fairly. The Council's equalities and human rights impact assessment process goes beyond its current equalities duties to incorporate religion/belief, sexual orientation and age. The Equality Act 2010 does not come into effect in relation to the public sector duties until April 2011. However, in line with good practice, equalities and human rights, impact assessments will be carried out, mindful of protected characteristics.

BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
Southwark Compact (Revised)	Community Engagement	Bonnie Royal 020.7525.7389
VCS Framework (2007).	Community Engagement	Bonnie Royal

APPENDICES

No.	Title
Appendix 1	Appendix G to the Policy and Resourcing Strategy 2011
Appendix 2	Transition Fund assessment proforma 2011/12

AUDIT TRAIL

Lead Officer	Stephen Douglass, Head of Community Engagement	
Report Author	Bonnie Royal Commissioning & Voluntary Sector Support Manager	
Version	Final	
Dated	14 March 2011	
Key Decision	Yes	
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER		
Officer Title	Comments Sought	Comments included
Strategic Director of Communities, Law & Governance	Yes	Yes
Chief Finance Officer	Yes	Yes
Property Portfolio	Yes	
Cabinet Member	Yes	Yes
Date final report sent to Constitutional Support Services		14 March 2011