

Item No.	Classification: Open	Date: 3 June 2011	Decision Taker: Cabinet Member for Equalities and Community Engagement
Report title:		Voluntary Sector Transition Fund 2011 / 12: Round 2.	
Ward(s) or groups affected:		All	
From:		Strategic Director of Communities, Law & Governance	

RECOMMENDATIONS

1. That the cabinet member approves the recommended allocations for Round 2 of the Transition Fund 2011/12 for voluntary sector organisations set out in Appendix 1 to this report.

BACKGROUND INFORMATION

2. On 22 February 2011 Council Assembly agreed the council's budget. Included in the budget proposals was a £1.5m Transition Fund over the next two years to 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
3. Approval of grants over £2,500 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).
4. 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.

5. On 15 February 2011 the Cabinet agreed to establish the transition fund subject to agreement of the revenue budget by Council Assembly on 22nd February. The cabinet agreed the criteria and initial process for the fund which made it clear that this was a two year fund and the initial invitation of bids to the fund was a first round only because a number of departments had still not made decisions on allocation of funding for 2011/12. In addition a number of organisations also had applications to the National Lottery Transition Fund pending at that time which required organisations to

demonstrate 30% reduction in tax payer income, which it was important not to jeopardise. It was therefore intended that some groups' bids would be decided in later rounds.

6. The first round of the Transition Fund was advertised on 16th February 2011 with a closing date of 25 February 2011. The decision on recommendations for round 1 became implementable on 30 March 2011 and a total of £333,684 was allocated to 17 groups. The list of these groups is attached as Appendix 2.
7. Those organisations whose applications were held over from Round 1 where decisions on council and National Transition funding were still pending were not required to submit revised applications unless they wished to do so and/or wished to submit additional information. A number of organisations that had been unsuccessful in Round 1 were also visited or telephoned to provide advice on how to improve their applications. Individualised letters were sent to all voluntary sector organisations who did not receive Transition Funding in the first round setting out the reasons for the decision.
8. Round 2 was opened up not only to organisations that had been unsuccessful in Round 1 and had had feedback on their bids, but also to organisations that had not bid into Round 1. The timescale for Round 2 approved by the Cabinet Member for Equalities and Community Engagement is set out below.

Round 2 Timescale

9.

Monday 18th April 2011	Fund Advertised. CAS e-bulletin. J4b funding portal on the council's website.
Friday 13th May 2011	Deadline for receipt of completed applications
Tues 24th May 2011	Assessment by Officers and Advisory Panel
Friday 3rd June 2011	IDM report on decisions published and provisional notification to all organisations. All organisations notified in writing of their right to make representations to the decision maker at this stage.
Monday 13th June 2011	IDM on awards taken (Note: this is earliest decision date, if the decision is taken later other timings will be adjusted accordingly)
Tuesday 14th June 2011	Notice of decision published and call-in period commences
Monday 27th June 2011	End of call-in period (if applicable)
Tuesday 28th June 2011	Implementation of decision

KEY ISSUES FOR CONSIDERATION

10. The availability of this fund in Round 2 was promoted via the council's website and Community Action Southwark's (CAS) e-bulletin. All departmental commissioners were sent the information and asked to forward details to the groups funded via their departmental programmes and provide information, where known, on the level of reductions applied in 2011/12. All council funded voluntary sector organisations were provided with written guidance notes on the application process and criteria against which their applications would be assessed. Departmental commissioners were available to provide support and guidance. CAS was also available to support and advise on the application process in an effort to maximise take-up of the funding.
11. As a result of openly advertising the Transition Fund in April 2011 a total of 49 applications for Transition fund were received totalling £917,853. A list of these organisations is attached as Appendix 3. Where an organisation had submitted a request for funding in excess of the maximum award of £25,000 these were reduced to the maximum level which could be applied for i.e. £25,000. Applications where they fall within the thematic funding programmes administered by different council departments were forwarded to the relevant commissioners for comments and an up-date on levels of funding awarded by those departments in 2011/12.

Assessment and proposals for funding

12. As with Round 1 in assessing the applications at Round 2 of the council's 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 4 to this report.
13. Recommendations to the Panel that transition funding should not be awarded 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 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 by the Advisory Panel at this stage is £155,102 to 10 organisations. These are listed in Appendix 1 of this report.
16. There will be a Round 3 of the fund later this year. The same criteria will be applied as to the previous rounds.

Community Impact Statement

17. The purpose of the Transition Fund is to promote the development of 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 Round 2 Transition Fund process and is attached as Appendix 5. 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 £333,684 for Round 1 and £155,102 for Round 2 is within the agreed budget as set out in the Policy and Resourcing Strategy as agreed by Council Assembly on 22nd February 2011.

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 all council departments were on the advisory panel and fed into the process of making the recommendations set out in this report.
22. Individual Executive Member decisions are not made at public meetings and therefore representations cannot be made in this way. However, organisations can make written representations that can be made available to the relevant Individual Member before he or she takes the relevant grant funding decision. In addition organisations whose applications have been unsuccessful have been notified of the opportunity to make oral representations to the Individual Member in addition to any written representations in advance of the decision being taken.

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Finance Director

23. The finance director notes the process undertaken to allocate resources for round 2 was similar to the round 1 process and has now allocated additional resources to qualifying organisations within the budget identified. The resource implications paragraph above provides more detail and background.

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 well-being where it considers this will achieve 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 well-being of its area;
 - the promotion or improvement of the environmental well-being 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 well-being 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 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 well-being power the council must have regard to its community strategy which it has a duty to prepare under section 4 of the 2000 Act.
28. The establishment and implementation of the Voluntary Sector Transition Fund falls within the scope of the kind of activities the council can undertake under the well-being power. The Fund would achieve the promotion or improvement of the economic, social and environmental well-being of the council's area. It is also confirmed that the Soutwark 2016 document (the council's sustainable community strategy) states that the promotion or improvement of the economic well-being of the council's area is one of its express objectives.

Equalities Impact Assessments

29. Positive equalities obligations are placed on the council. These equalities obligations have been considered as part of the assessment undertaken for allocations for both rounds of the Transition Fund and equalities impact assessments have been 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. An equalities impact assessment of Round 2 is attached as Appendix 5.

30. The 2010 Equality Act introduced a new Public Sector Equality Duty, which came into effect in April 2011. This covers eight “protected characteristics” (age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex and sexual orientation). It establishes a General Duty on public bodies such as Southwark Council to have “due regard” in carrying out its functions to the need to:

- eliminate unlawful discrimination, harassment and victimisation
- advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it, and
- foster good relations between people who share a protected characteristic and those who do not

The full wording of the duty is attached as Appendix 6 and the Cabinet Member for Equalities & Community Engagement should read and consider it in relation to taking this decision.

31. In developing and analysing the proposals contained within this report officers have had due regard to the new statutory Public Sector Equality Duty, but the Cabinet member for Equalities & Community Engagement must give separate consideration to this matter.

BACKGROUND DOCUMENTS

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

APPENDICES

No.	Title
Appendix 1	List of recommended funding allocations Round 2
Appendix 2	List of Round 1 funding allocations
Appendix 3	List of Round 2 applications
Appendix 4	Transition Fund assessment criteria
Appendix 5	Equalities Impact Assessment Round 2
Appendix 6	Public Sector Equality Duty

AUDIT TRAIL

Lead Officer	Stephen Douglass, Head of Community Engagement	
Report Author	Bonnie Royal Commissioning & Voluntary Sector Support Manager	
Version	Final	
Dated	2 June 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
Director of Finance	Yes	Yes
Cabinet Member	Yes	Yes
Date final report sent to Constitutional Officer		2 June 2011