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| Item No. | Classification: Open | Date: 10 November 2011 | Decision Taker: Cabinet Member for Community Engagement & Equalities |
| Report title: | | Voluntary Sector Transition Fund 2011 / 12. Round 3. | |
| 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 3 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.
5. It is not intended to replace lost funding or cover running costs for existing service delivery.
6. To date there have been 2 completed rounds of the Transition fund. The first round recommendations were approved and implementable from 30 March 2011 with a total of £376,004 allocated to 19 organisations. The second round recommendations of the fund were implementable from 28 June 2011 with a total of £174,902 allocated to 11 organisations.

7. Round 3 was open to any organisation funded by the council irrespective of bids submitted to Round 1 and 2 and whether successful or unsuccessful. Any groups that were unsuccessful in previous rounds were given written feedback and advised that they could re-submit the previous application, submit a new application and/or provide additional information as they deemed appropriate and taking account of the feedback from the previous round. The timescale for Round 3 approved by the Cabinet Member for Equalities and Community Engagement is set out below.

Round 3 Timescale

8.

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|---------------------------------|--|
| Monday 9 September 2011 | Fund Advertised. CAS e-bulletin. J4b funding portal on the council's website. |
| Friday 21 October 2011 | Deadline for receipt of completed applications |
| Tues 1 November 2011 | Assessment by Officers and Advisory Panel |
| Friday 11 November 2011 | IDM report on decisions published and provisional notification to all organisations in writing of their right to make representations to the decision maker at this stage. |
| Monday 21 November 2011 | IDM on awards taken (Note: this is earliest decision date, if the decision is taken later other timings will be adjusted accordingly) |
| Tuesday 22 November 2011 | Notice of decision published and call-in period commences |
| Tuesday 29 November 2011 | End of call-in period (if applicable) |
| Tuesday 6 December 2011 | Implementation of decision |

KEY ISSUES FOR CONSIDERATION

9. As with the previous rounds, the availability of this fund in Round 3 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 and held workshops to support and advise on the application process in an effort to maximise take-up of the funding.

10. As a result of openly advertising the Transition Fund in September 2011 32 applications were received totalling £675,264.04. The list of these organisations with recommendations for funding is attached as Appendix 1. The criteria stated that the maximum award would be £25,000 but in exceptional circumstances funding in excess of the maximum award would be considered. Advice was sought from relevant commissioners on applications where they fall within the thematic funding programmes administered by different council departments.
11. A further modification to the criteria for previous rounds provided for discretion to allow awards to organisations where national or other transition funding has been awarded to be assessed on a case by case basis. In using this discretion, the panel advising the cabinet member assessed whether there is any duplication and whether provision of local funding will jeopardise any national or other transition funding, and sought to be satisfied that the Southwark funding was for additional transitional activities not supported by other transition funding.

Assessment and proposals for funding

12. As with Rounds 1 and 2 in assessing the applications at Round 3 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 representatives from CAS and the Forum for Equality & Human Rights as the key designated partners exercising a 'critical friend' role. The criteria for each of these 3 stages are set out in Appendix 2 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 previously awarded Transition funding in Rounds 1 or 2 and where applications to Round 3 did not demonstrate significant difference from previous applications;
 - Organisations whose funding is not likely to reduce in the main or where reductions have not been significant and/or will have a lower impact on both users and the organisation.
14. The advisory panel were provided with information on all applications. No applications were excluded and a robust process of challenge of the scoring process was carried out at every stage.
15. Funding recommended by the advisory panel in Round 3 of the Transition Fund totals £186,178 to 12 organisations. These organisations are listed in Appendix 1 of this report.

Community Impact Statement

16. The purpose of the Transition Fund is intended 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.

17. An Equalities Impact Assessment has been undertaken on the previous rounds of 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

18. The proposed allocation for Round 3 totals £186,176 in addition to £550,906 previously allocated in Rounds 1 and 2 bringing the overall total to £737,084 awarded to 42 organisations. This is within the agreed budget as set out in the Policy and Resourcing Strategy agreed by Council Assembly on 22 February 2011.

Consultation

19. 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 were published for consultation prior to agreement by Council Assembly on 22 February 2011.
20. 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.
21. 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.

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Finance Director

22. The finance director notes the process undertaken to allocate resources for Round 3 was similar to the Round 1 and 2 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

23. 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

24. 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.
25. 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.
26. 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.
27. 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 Southwark 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

28. 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.
29. Prior to the assessment of Round 3 applications, an Equality Impact Assessment (EQIA) was carried out analysing applications and awards made in the first two rounds of the Transition Fund. The analysis considered applications and awards in relation to:
- Equality Act protected characteristics
 - Departmental thematic funding streams.

30. The purpose of the EQIA was to assess whether there are differential equality impacts affecting different communities. The information obtained highlights instances where it appears that there have been a lower number of awards relative to the number of applications received for some departmental funding streams. There are a number of different explanations for this. These include lower funding reductions compared to other funding streams (Supplementary Schools), significant reductions not taking affect until a later date (Community Support Programme, Supplementary Schools) and where there may be overlap with other transition funding (Health and Social Care Innovation Fund).
31. The EQIA findings from Rounds 1 and 2 have been taken into account by the assessment panel for Round 3 and has been used to inform the decision making process. The analysis shows that many of the organisations applying to the Transition Fund serve all sections of the community as well as individuals who come within one or more of the Equality Act protected characteristics. For a number of organisations no specific distinction is made. There are also organisations that target services at particular community groups. The EQIA has captured this information and where this applies analysis has shown that the protected characteristics most represented in both applications and awards relate to age, race, disability and religion/belief. Further EQIA analysis will be carried out at each subsequent stage of the Transition Fund so that the cumulative impacts can be considered.

BACKGROUND DOCUMENTS

| Background Papers | Held At | Contact |
|-------------------------------|----------------------|-------------------------------|
| Reports & minutes for Round 1 | Community Engagement | Bonnie Royal 020.7525.7389 |
| Reports & minutes for Round 2 | Community Engagement | Bonnie Royal |
| Equality Impact Assessment | Community Engagement | Bonnie Royal |

APPENDICES

| No. | Title |
|-----|---|
| 1 | Round 3 Transition Fund Recommendations |
| 2 | Assessment Criteria |

AUDIT TRAIL

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|---|---|
| Lead Officer | Stephen Douglass, Head of Community Engagement |
| Report Author | Bonnie Royal Commissioning & Voluntary Sector Support Manager |
| Version | Final |
| Dated | 10 November 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 |
| Finance Director | Yes | Yes |
| Cabinet Member | Yes | Yes |
| Date final report sent to Constitutional Officer | | 10 November 2011 |