

<b>Item No.</b>	<b>Classification:</b> Open	<b>Date:</b> 21 January 2014	<b>Decision Taker:</b> Cabinet Member for Communities and Economic Wellbeing
<b>Report title:</b>		Voluntary and community Sector Transition fund - Round 5	
<b>Ward(s) or group affected:</b>		All	
<b>From:</b>		Strategic Director of Housing and Community Services	

## RECOMMENDATION

1. That the Cabinet Member For Communities and Economic Welbeing approves the recommended allocations for Round 5 of the Transition Fund 2014/15 for voluntary sector organisations set out in Appendix 1 to this report. These allocations fall within the £250,000 total amount made available in Round 5.

## BACKGROUND INFORMATION

2. Approval of grants over £2,500 is a matter for the Cabinet member for Communities and Economic Wellbeing (Constitution: Clause 5 Part 3D) and will be considered via individual member decision making (IDM).
3. On 22 February 2011 council assembly agreed as part of the budget to allocate funding to a £1.5 million Transition Fund. This was established to help Voluntary and Community Organisations (VCOs) make the changes necessary to meet the challenges from reduced public sector funding and in order to develop a more sustainable sector.
4. The purpose of this round of the Transition Fund is to assist VCOs to undertake transformative rather than transitional change. It is not intended to replace lost funding or cover running costs for existing service delivery.
5. It was agreed by the cabinet that this round of the Transition Fund would focus support onto VCOs working in the following priority areas as identified by the council:
  - Employment/worklessness
  - Welfare reform/advice
  - Economic wellbeing/regeneration
6. Further changes to the operation of the scheme have been introduced for Round 5 following evaluation of the previous 4 rounds of the fund carried out by Community Action Southwark (CAS). These are that:
  - VCOs were required to demonstrate how they wish to undertake organisational transformation in order to become more financially sustainable through collaboration; by sharing resources/premises; improving governance/financial management/impact; and /or service development/redesign/innovation.

- CAS had a new role in working in partnership with the council to deliver the fund by taking a lead in the assessment of applications and in carrying out an organisational diagnosis to establish priorities for transformational interventions
- Successful organisations would be matched with appropriate support identified by CAS, to ensure that transformation actions set out in these diagnostic assessments will be implemented
- It was agreed that CAS would be paid a fixed amount of £37,500 for providing the diagnostic, evaluation and reporting functions required during Round 5. This payment will be funded from the overall £250k available funding for Round 5.

7. To date there have been 4 completed rounds of the Transition Fund as follows

- Round 1. £376,004 allocated to 19 organisations
- Round 2. £174,902 allocated to 11 organisations
- Round 3. £191,678 allocated to 13 organisations
- Round 4. £176,250 allocated to 17 organisations

A total of £918,834 has been allocated to a total of 60 organisations so far.

#### **Round 5 Timetable**

<b>2 – 30 September 2013</b>	Fund advertised, including on CAS e-bulletin and J4b funding portal on the council's website. How to apply workshop 10 September
<b>30 September 2013</b>	Deadline for receipt of completed applications by CAS
<b>1 October - 18 October</b>	CAS assessment of applications
<b>21 October - 6 December</b>	CAS diagnosis and report submitted to the council
<b>9 – 11 December</b>	Officer assessments and Advisory Panel recommendations made on CAS report
<b>Week beginning 20 January 2014</b>	IDM report on decisions published and provisional notification to all organisations of recommendations and their right to make representations to the decision maker at this stage.

#### **KEY ISSUES FOR CONSIDERATION**

##### **Assessment stages and proposals for funding**

8. As with the previous rounds, the availability of this fund was promoted via the council's website and the CAS e-bulletin. In addition, all departmental commissioners were sent the information and asked to forward details to groups funded via their departmental programmes. CAS advertised and held a

workshop targeted at Southwark based VCOs in September where the fund's priorities and assessment criteria were explained

As a result of openly advertising the Transition Fund a total of 23 applications were received by CAS.

9. A two stage assessment process was followed. Stage 1 assessed whether applications met the stated criteria. Stage 2 involved carrying out a diagnostic assessment on organisations successful at stage 1. 13 organisations were passed through to stage 2 for an organisational assessment. Appendix 1 lists those organisations successful and unsuccessful at stage 1.
10. All organisations unsuccessful at stage 1 were notified by CAS directly that the application did not meet one or more of the stated criteria. A number of the most common grounds for applications not meeting the criteria include:
  - Not addressing organisational change
  - The organisation not having been funded by the council in the last 18 months
  - Requesting funding for capital expenditure
  - Failure to demonstrate the impact of the organisation's activities on end users
  - Not demonstrating how the organisation intends to diversify income and lessen dependency on funding from the council
  - Request for revenue funding to continue to deliver services
11. For Stage 2 of the Round 5 process CAS carried out a diagnostic assessment with each of the 13 organisations successful at stage 1. CAS met with staff and trustees from each organisation to identify organisational needs and to draw up an implementable action plan to address the identified priorities for organisational change.
12. Discussions between CAS and the organisations at the diagnostic stage sought to identify whether the organisational needs identified in the application would deliver improved sustainability or whether other previously unidentified priorities would have better outcomes for the sustainability of the organisation. The full details of the support and costs needed were agreed between CAS and each group.
13. Following the completion of stage 2 CAS provided a detailed report to the council detailing the action plans and setting out recommendations for funding. The specific support areas identified include the following:
  - Development of impact assessment frameworks
  - Carrying out market analysis to identify new income opportunities
  - Development and implementation of marketing and communications strategy
  - Income generation through sales
  - Enhancing financial procedures
  - Development of business plans
  - Review of organisational strategy and development of operational plan
  - Governance training, skills audit and clear role descriptions for Board of Trustees
  - Training and coaching
  - Project review
14. Council officers across departments met to assess each of the recommendations taking into account the following factors:

- How well the recommendations align with the Economic Wellbeing Strategy
  - Avoiding duplication with any previous Transition Fund awards
  - Organisations to benefit from the recommendations should be delivering within the welfare reform/economic wellbeing and employment skills area
  - Overall soundness of recommendation
15. The CAS recommendations indicated a total funding commitment of £209,134, but after the officer panel this was reduced to £174,750. The panel agreed to provide £10,000 funding for a joint ICT strategy and implementation plan for Blackfriars Advice Centre and Cambridge House (£5k awarded to each). This £10k award is included in the overall award of £174,750. The award is dependent on both organisations agreeing to work together in this area. The development of Outcomes Assessment Frameworks is one of the main areas agreed for funding by the panel. It is anticipated that these will result in organisations being better able to demonstrate to funders and stakeholders the impact of services on beneficiaries.
16. The allocations agreed by the council will be awarded to each relevant organisation in order to implement the development areas outlined in the organisational action plan. This work must be completed by 1 March 2015. CAS has identified appropriate specialists and will act as a broker and monitor the implementation process until completion.

### **Evaluating success**

17. To ensure that the transformation is proceeding in line with the action plan CAS has set in place a rigorous process of review and evaluation which it is anticipated will maximise the impact of the fund and the positive outcomes that will deliver improved sustainability. To ensure the impact of the transformation is fully understood and that plans can be adjusted accordingly, CAS will:
- Conduct evaluations with recipient organisations at fixed points throughout the process. The level and detail will be determined by the scale and the nature of the transformative activities.
  - Review action plans and make amendments or adjustments depending upon the impact of external and internal factors
  - Report back to the council on progress and any changes in the transformational activities.
  - Complete a summary assessment of the transformation process at 12 months

### **Community Impact Statement**

18. 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.
19. An Equalities Impact Assessment has been undertaken on previous rounds of the Transition Fund process and Equalities Analysis has been carried out on applications for this round. The aim of the fund is to help mitigate the effects of the challenges facing the VCS and in particular reductions in funding impacting

on the public sector. It is therefore anticipated that funding awards will have a positive community impact in the current difficult financial circumstances. The Equalities Analysis is available as a background paper and has been provided to the Forum for Equalities and Human Rights (FEHRS) for comment.

### **Resource implications**

20. The proposed allocation for Round 5 is £174,750 and in addition CAS is to be paid £37,500 for services delivered (see paragraph 6). The total cost of Round 5 is therefore £212,250 which is covered by the overall funding of £250k made available for the round. The current award of £212,250 when added to the £918,834 previously allocated in Rounds 1 - 4 will bring the overall total awarded to date to £1,131,084 awarded to a total of 73 organisations. This is within the agreed budget of £1.5m as set out in the Policy and Resourcing Strategy agreed by Council Assembly on 22 February 2011.

### **Consultation**

21. 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.
22. The revised approach for Round 5 was agreed following consultation through the council/VCS liaison group during the first half of 2013.
23. 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. Organisations can also request to make a representation in person which will again be subject to approval by the Individual Member prior to any decision being made.

### **SUPPLEMENTARY ADVICE FROM OTHER OFFICERS**

#### **Director of Legal Services**

24. The Director of Legal Services notes the contents of this report and confirms that under Part 3D of the Council's Constitution the approval of grants of over £2,500 to voluntary sector organisations is a matter is reserved to IDM for decision.
25. Pursuant to section 149 of the Equality Act 2010 the council has a duty to have due regard in its decision making processes to the need to:
  - (a) Eliminate discrimination, harassment, victimisation or other prohibited conduct;
  - (b) Advance equality of opportunity between persons who share a relevant protected characteristic and those who do not
  - (c) Foster good relations between those who share a relevant characteristic and those that do not share it.
26. The relevant protected characteristics are age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex, sexual orientation. The

PSED also applies to marriage and civil partnership, but only in relation to (a) above.

27. Paragraph 18 of the report shows that this duty has been complied with.

#### **Strategic Director of Finance and Corporate Services (F&CS13/040)**

28. The strategic director of finance and corporate services notes the changes to the operation of the scheme and the involvement of CAS in the assessment process for Round 5 at a cost of £37,500 as set out in paragraph 6. The total allocation recommended is £212,250 (inclusive of CAS) which falls within the total amount of £250k made available for Round 5. Subject to approval, the cumulative amount allocated from the council's Voluntary and Community Sector Transition Fund to date is £1,131,084 which leaves £368,916 available for future rounds.

#### **BACKGROUND DOCUMENTS**

<b>Background Papers</b>	<b>Held At</b>	<b>Contact</b>
Reports & minutes for Rounds 1 - 4	Community Engagement, 160 Tooley St SE1 2TZ	Andy Matheson Tel:020 7525 7648
Equalities Analysis	Community Engagement, 160 Tooley St SE1 2TZ	Andy Matheson Tel:020 7525 7648

#### **APPENDICES**

<b>No.</b>	<b>Title</b>
Appendix 1	Recommended allocations for Round 5 of the Transition Fund 2014/15 and list of unsuccessful applicants

## AUDIT TRAIL

<b>Lead Officer</b>	Gerri Scott, Strategic Director of Housing and Community Services	
<b>Report Author</b>	Andy Matheson, Senior Commissioning Officer	
<b>Version</b>	Final	
<b>Dated</b>	21 January 2014	
<b>Key Decision?</b>	Yes	
<b>CONSULTATION WITH OTHER OFFICERS / DIRECTORATES CABINET MEMBER</b>		
<b>Officer Title</b>	<b>Comments Sought</b>	<b>Comments Included</b>
Strategic Director of Housing and Communities Services	Yes	Yes
Finance Director	Yes	Yes
Director of Legal Services	Yes	Yes
<b>Cabinet Member</b>	Yes	Yes
<b>Date final report sent to Constitutional Team</b>	21 January 2014	