EQUALITY IMPACT ASSESSMENT

PRELIMINARY SCREENING

Date of Screening	1/10/10
Name of Screener	L Bromwell
Director	J Mountford

Name of Policy **Transition Fund**	**X**	This is **new**
		This is a **change** to an existing policy
		This is an **existing** policy, not previously assessed

Aims, Objectives & Projected Outcomes

Aims

The £100m Transition Fund was announced by Ministers as part of the Office for Civil Society's Spending Review settlement in October. It aims to help the charities, voluntary groups and social enterprises that are most vulnerable to public spending cuts. It will be managed by BIG Fund, and open for applications in late November 2010.

The Fund will run over two financial years, with £10m to be allocated in 2010-11 and £90m in 2011-12. The one-off grants will range from £12.5k to a maximum of £500k, and will need to be spent by recipients by March 2012. There will be a maximum capital allocation of £5k within grants. The maximum level of grant for organisations will be 50% of their total loss of taxpayer funded income for front line services in 2011-12 compared to 2010-11.

Objectives
The Transition Fund will allow civil society organisations (CSOs) which are vulnerable to reductions in public spending to re-model, diversify their funding streams, change their businesses and continue providing frontline services.

To ensure a targeted approach, that sees funding going to those organisations most in need and where the benefits will be greatest, the programme will target organisations which:
- are delivering frontline services that contribute to national priority public services.
- currently receive a high proportion of their total income from taxpayer-funded sources.
- would otherwise suffer most from any reductions in taxpayer funded income
- do not have sufficient reserves to cushion any short-term loss of taxpayer-funded income.
- can demonstrate that no other sources of statutory funding are available to help them to provide the services which are at risk.
- The fund will be accessible to relevant organisations with an annual turnover of between £50,000 and £10 million.

Outcomes
The key outcomes are:
- CSOs, which deliver high quality public services, are more resilient, agile and able to take opportunities presented by a changing funding environment.

Will the policy have an impact on national or local people/staff?	YES

Are particular communities or groups likely to have different needs, experiences and/or attitudes in relation to the policy	YES
Are there any aspects of the policy that could contribute to equality or inequality?	YES
Could the aims of the policy be in conflict with equal opportunity, elimination of discrimination, promotion of good relations?	NO

Date of Assessment	November 2010
Name of Assessor	Lindsey Bromwell

STATISTICS & RESEARCH

What relevant quantitative & qualitative data do you have in relation to this policy?
Please site any quantitative (e.g. statistical research) and qualitative evidence (monitoring data, complaints, satisfaction surveys, focus groups, questionnaires, meetings, research interviews etc) of communities or groups having different needs, experiences or attitudes in relation to this item of work.

Equality Target Areas	How does the data identify potential or known <u>positive</u> impacts? How does the data identify any potential or known <u>adverse</u> impacts?
Race (consider e.g. nationalities, languages)	The National Survey for Third Sector Organisations (NSTSO) suggests that third sector organisations whose main beneficiaries are BME groups have the following characteristics: • 30% work mainly in community development (higher than average); 14% work mainly in the delivery of public services; 26% work on mainly on providing advice to individuals; 11% work mainly in capacity building and training; 22% work in advancing cultural awareness • the majority report having insufficient financial reserves to meet main objectives over the past 12 months (55%). • 64% report that income from all sources over the past 12 months has been insufficient to main objectives (much higher than average) • 54% do not receive any grant funding from statutory bodies. 24% receive funding from a local single tier council compared to 11% on average. • 34% report that they have insufficient ICT (twice the average level) • 40% report having insufficient space to operate (twice the average level) • 40% report having insufficient paid staff (compared to16% on average)

	- 35% report having insufficient volunteers (compared to 30% on average) - 28% report having insufficient management and leadership staff (compared to 17% on average) - 31% report having insufficient advice and support (nearly twice the average level) - 28% report having insufficient networking opportunities (twice the average level) - More likely to be either fairly or very dissatisfied with access to loan finance over the past 12 months (23%) although 38% thought this was not applicable to them Organisations whose main beneficiaries are BME clients have a similar to average experience in terms of - 44% earn more than 50% of their total income from trading and contracts. This very close to the average response of 45%. - Size of turnover and number of employees does not vary considerably from average size of the sector.
Disability (consider social access and physical access)	The NSTSO suggests that third sector organisations focused on support to people with physical disabilities may have a distinct experience in terms of: - More likely to be working mainly in: delivery of public services (21%); making grants to individuals or organisations (17%); helping people to access services or benefits (15%) - 47% report having insufficient income (49% on average) - More likely to have a grant from a single tier local authority or NHS trust however the numbers are still low (16% and 5% respectively) - 11% report having a contract with a local council (single tier) which compares to 7% on average - 7% report having a contract with NHS (4% on average) - 44% of organisations whose main beneficiaries are people with mental health needs are involved in delivering public services (14% on average)

	54% report having no full time employees 35% report having insufficient volunteers - The organisations are generally small in terms of turnover i.e. under £100k p.a. however they do not vary considerably from the average. - Report average levels of satisfaction with paid staff, advice and support, ICT, space to operate, networking opportunities, trustees, management and leadership staff.
Gender	In the NSTSO, 21% of organisations identified women as their main beneficiaries, so the following data may indicate some of the issues, but cannot be taken as a proxy for organisations specifically focused on women. Third sector organisations identifying women as their main beneficiaries responded to say: - They are particularly likely to work in culture, arts and leisure, and, in line with overall results for the survey respondents, are also working in community development and mutual aid; education and lifelong learning; cohesion/ civic participation; and health and wellbeing. - Results on confidence in organisational success, staff, management, access to advice, reserves and income were in line with overall responses (e.g. 48% report sufficient income overall; 38% insufficient). - They are slightly more likely to report making over 50% of their income from either trading or contracts (49% compared with 45% on average) - They tend to have small turnover (48% have a turnover of under £25k) however this does not vary considerably from the average third sector response.

Gender Reassignment	We do not have specific data relating to civil society organisations working with gender reassignment. We do have data on organisations that work with transgender however this is included in the LGBT data below.
Religion or Belief	The NSTSO shows that third sector organisations from faith communities have a distinct experience in terms of being: • More likely to be working in the following areas: community development and mutual aid; cohesion/ civic participation; international development; capacity building, as well as faith-based activity. • More likely to respond that questions from the survey do not apply to them, for example feeling that accessing local advice and support is not applicable to them, and nor is the range of grants available and the involvement of local authorities on a range of issues. • Least likely to access support from other local third sector groups. About average in terms of satisfaction with resource levels, and heavily reliant on donations and fundraising, with greater than average income from investments
Sexual Orientation	The NSTSO shows that third sector organisations focused on support to LGBT communities have a distinct experience in terms of being: • More likely than any other groups to work on equalities and civil rights and see campaigning and advocacy as their main role, while also working mainly in the following areas: community development and mutual aid; health and well-being; cohesion and civic participation; economic well-being; culture and leisure; accommodation and housing; training; capacity building and provision of advice to individuals • 61% report having insufficient income to meet objectives (compared to 39% on average) • More likely to be involved in the

	delivery of public services (23% compared with 14% on average) • Much more likely to report insufficient levels of management and leadership (31%), paid staff (36%), trustees (27%), financial services, ICT (27%), advice and support (26%), volunteers (36%) space to operate (28%).
Age	In the NSTSO, 18% of organisations identified older people as their main beneficiaries, so the following data may indicate some of the issues, but cannot be taken as a proxy for organisations specifically focused on older people. Third sector organisations identifying older people as their main beneficiaries responded to say: • More likely to be involved in the following activities: community development and mutual aid; culture and leisure; accommodation/ housing; health and well-being; other charitable, social or community purposes, cohesion and civic participation • 59% report that access to loan finance is not applicable to them • 52% report having sufficient income over past 12 months to meet main objectives (compared with 49% on average) • 19% are involved in delivering public services (compared with 14% on average) • Report average levels of satisfaction with paid staff, volunteers, advice and support, ICT, space to operate, networking opportunities, trustees, management and leadership.
Marriage and Civil Partnership	We do not have data relating to marriage and civil partnership however we do not believe that this fund is relevant to this area.
Pregnancy and Maternity	We do not have data relating to this however we do not believe that this programme will have an impact on this area.

What research have you considered commissioning to fill any data gaps?

We have held a consultation event with the sector to get their views on whether the programme design is appropriate and whether there is a risk that the fund could disadvantage specific groups of people with protected characteristics.

We have commissioned research into the dependency of civil society on public funding[12]. This shows that exposure to public funding varies between organisations: those that are bigger, newer, those located in more deprived areas and those serving socially excluded or vulnerable people were more likely to receive public funding than other organisations. In terms of beneficiary groups, organisations most likely to declare that the public sector was their most important source of income were: socially excluded/ vulnerable people (33%), mental health (31%); victims of crime (26%); people with learning difficulties (26%); offenders and ex-offenders (24%) and homeless people (22%).

In Descending order here is the list of organisations in receipt of public funding by beneficiary:

Beneficiary Group	Proportion receiving public funds
Socially excluded / vulnerable people	0.69
People with mental health needs	0.60
Offenders, ex-offenders and their families	0.59
People with learning difficulties	0.58
Victims of crime and their families	0.58
Asylum seekers / refugees	0.57
Homeless people	0.56
People with addiction problems	0.54
Lesbian, gay, bisexual or transgender People	0.52
People from black and minority ethnic communities	0.50
Other third sector organisations	0.48
People with physical disabilities and/or special needs	0.46
Children (aged 15 or under)	0.46
Young people (aged 16 to 24)	0.42
The general public / everyone	0.38
Older people	0.37
People with particular physical needs	0.36
People with particular financial need	0.33
Men	0.32
Women	0.31
Other	0.30
Animals	0.24
No answer	0.23

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[1] Exposure of the Voluntary, Community and Social Enterprise Sector to cuts in public funding – Information for Government Departments and Local Authorities. Available from Cabinet Office website: www.cabinetoffice.gov.uk

[2] How Dependent if the Third Sector on public funding? Evidence from the National Survey of Third Sector Organisations. Dr David Clifford, Frida Geyne Rajme and Professor John Mohan. October 2010.

| Faith communities | 0.19 |
| Cannot say | 0.14 |

Who are the stakeholders, community groups, staff or customers for this policy area?

- **Civil society organisations**
- **Delivery partner**
- **Strategic Partners of OCS**
- **Other Government Departments**
- **Communities that benefit from services that civil society organisations provide**

What are the overall trends and patterns in this qualitative & quantitative data?
Disproportionality; regional variations; different levels of access, experiences or needs; combined impacts.

We can see from our research that civil society organisations working within equalities groups often receive public funding and are sometimes involved in delivering public services. The Transition Fund should therefore be applicable to these groups. We can also see that there are problems with lack of capacity within organisations working with people with protected characteristics, particularly organisations working with LGBT and BME communities. This means that we should ensure that these organisations can apply for this fund, we should also take this into consideration when designing other funds such as capacity building programmes.

Please list the specific equality issues that may need to be addressed through consultation (and further research)?

- We need to look at the accessibility of the fund and whether there are steps we can take to ensure that the fund is reaching a diverse range of organisations. We need to ensure that the fund does not directly or indirectly discriminate against organisations that are working with people with protected characteristics.

GATHERING EVIDENCE THROUGH COMMUNITY ENGAGEMENT

INTERNAL STAKEHOLDER ENGAGEMENT: Consulting & involving Other Government Departments, Staff, Agencies & NDPBs

Does this policy affect the experiences of staff? How? What are their concerns?	
Staff	NA
Staff Networks & Associations	NA
Trade Unions	NA

How have you consulted, engaged and involved internal stakeholders in considering the impact of this proposal on other policies and services?
We have consulted with a range of staff internally through meetings on the design of the fund. Also through updating other Government Departments through the Champions Network and Director General Group on the Big Society.

What positive and adverse impacts were identified by your internal consultees? Did they provide any examples?
They provided examples of how the fund can promote equalities through ensuring that diverse range of organisations can apply for funding and through the case study materials that will be gathered in the process. They raised concerns about the size limit to be used in the design of the fund.

EXTERNAL CONSULTATION & INVOLVEMENT

How did your engagement exercise highlight positive and negative impacts on different groups / communities?	
Race	We held an external stakeholder consultation event for representatives from a range of CSOs including those working with people with protected characteristics. Representatives from BME organisations raised concerns about the size threshold for applying for the fund. It was felt that as lots of BME organisations have a small turnover, many may be excluded from applying for the fund.
Religion or Belief	After the engagement exercise we were made aware that faith groups might be dissuaded from applying as the fund was being delivered by the Big Fund which is connected to the Big Lottery Fund and therefore might be seen as supporting gambling.
Disability	That the fund must be accessible to organisations working in disability.
Gender	No response on gender
Gender Reassignment	No response on gender reassignment
Sexual Orientation	No response on sexual orientation
Age	Organisations working with young people felt that the fund would provide useful benefit to the sector and should be targeted at organisations that are agile and will be able to thrive in the long-term rather than providing a stop-gap to failing organisations.

ASSESSMENT & ANALYSIS

Does the EIA show a potential for differential impact on any group(s) if this proposal is introduced? If Yes, state briefly whether impact is adverse or positive and in what equality areas.
The size threshold for organisations might mean that some groups working with people with protected characteristics are not able to apply. The concern from the stakeholder engagement exercise was that BME organisations might not be able to apply. Conversely the fund can promote equalities through ensuring that it is accessible to organisations working in equalities areas.

What were the main findings of the engagement exercise and what weight should they carry?
The main finding from the engagement exercise was that fund could provide useful support for organisations working with people with protected characteristics. The main concern that was raised was about the minimum size threshold for organisations wishing to apply to the fund and whether this would mean that certain organisations would not be able to benefit from the funding. According to our data analysis there does not appear to be a significant size differential between organisations working with people with protected characteristics and the average size of the sector. It is true that most organisations working with people from the BME community are small in size however the wider sector is also small in size on average therefore there is not specific discrimination against groups serving this community. The National Survey of Third Sector organisations did not include analysis of 'under the radar' groups however 'under the radar' groups would also not be relevant to this fund as it is targeted at organisations that receive public funding and involved in public service delivery. Very small scale organisations may be more relevant to other funding streams that the Office for Civil Society is providing. For example the Community First Programme will provide funding for community groups and the Community Organisers programme will provide help to encourage social action within communities. We are also consulting on future support for civil society organisations and the needs of BME groups can be looked at as part of this process.   The concerns of faith groups about lottery funding should be clarified in the marketing materials of the fund. The Big Fund is completely independent from the Big Lottery Fund and therefore there should be no reason for faith groups to be concerned.   We will take steps to ensure that fund is accessible to organisations working with disability.

Does this policy have the potential to cause unlawful direct or indirect discrimination? Does this policy have the potential to exclude certain group of people from obtaining services, or limit their participation in any aspect of public life?
We do not believe that the fund will cause unlawful direct or indirect discrimination. It will not exclude people from obtaining services or limit their

participation in public life.

How does the policy promote equality of opportunity?

It can promote equality through providing funding for civil society organisations that are working to support diverse communities.

The communications work on the fund will be particularly important for achieving this. We will promote the fund to our Strategic Partners and ask them to promote the fund to their networks to ensure that communities such as BME groups and LGBT groups are aware of the fund.

We will ensure that the application process is accessible, providing forms in a variety of formats including Braille or audiotape. There will be a textphone line for people with hearing impairments. The application form will also have a statement on promoting equality of opportunity. Grantholders will be asked to ensure that they are promoting equality in spending the grant money they receive.

We will produce a series of case studies that show the impact of the fund and provide learning for future work. The case studies should be from a range of organisations and can therefore promote equalities.

How does your policy promote good relations? How does this policy make it possible for different groups to work together, build bridges between parallel communities, or remove barriers that isolate groups and individuals from engaging in civic society more generally?

The communications around the fund will take into consideration reaching a diverse range of communities and we will promote positive messages around equality and diversity as part of this process.

How can the policy be revised, or additional measures taken, in order for the policy to achieve its aims without risking any adverse impact?

In this case we do not feel that it is appropriate to change the size threshold for the fund as there is insufficient evidence that BME organisations will be adversely affected when compared with the sector as a whole. Also there will be other funding programmes that are more suitable for small, local organisations to apply to. We will consider other OCS programmes such as Community First programme that are open to smaller organisations in disadvantaged communities and ensure that these programmes are accessible to small BME organisations.

Are there any concerns from data gathering, consultation and analysis that have not been taken on board?

No

ENSURING ACCESS TO INFORMATION

How can you ensure that information used for this EIA is readily available in the future?
• We will publish the EIA on the Cabinet Office website. • Information from the National Survey of Third Sector Organisations is available on the website www.nstso.com

How will you ensure your stakeholders continue to be involved/ engaged in shaping the development/ delivery of this policy?
• We will continue to update stakeholders through regular email contact, Cabinet Office website, messages to Strategic Partners, meetings with other government departments and a series of regional events.

How will you monitor this policy to ensure that the policy delivers the equality commitments required?
• The monitoring process will include data on applications received, success rate of those applications, and then progress monitoring of successful applicants.