

EQUALITY IMPACT ASSESSMENT

POLICY AREA

DfE grant funding for charities, voluntary and community organisations and social enterprises.

DESCRIPTION OF POLICY

The Government is clear that the voluntary and community sector plays, and will continue to play, a significant role in reforming services for children, young people and families.

A new DfE grant funding competition was announced by Ministers following the Spending Review announcements in October 2010. The new grants will run over two financial years, with around £61 million to be allocated in 2011-12 and around £57 million in 2012-13. A National Prospectus was published on 22 November 2010, inviting organisations to bid for the delivery of a wide range of activities of national significance for children, young people and families through an open competition.

Successful organisations will receive additional funding for capacity building and DfE is also investing in a small number of new strategic partners to help support capacity building across the whole sector, enabling organisations to become better equipped to deliver high quality public services for children, young people and families, working with Government to build a Big Society and making the most of the opportunities presented by a changing funding environment.

This represents a significant investment in voluntary and community organisations in a tough financial climate and is not the only funding that DfE provides to the sector. Other funding to the sector will continue to be available directly through awards, contracts and other grants and also indirectly through the funding that passes to local authorities and through schools commissioning for local services.

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| 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 |

THE EVIDENCE BASE

It is worth bearing in mind that the voluntary and community sector provides services for some of the most disadvantaged and marginalised groups of children, young people and families across the country – with a particular focus on early intervention work aimed at tackling a wide range of deep-

rooted social problems for these groups.

DfE currently funds a wide and diverse range of Voluntary and Community Sector (VCS) organisations (around 300) – through direct revenue grants and contracts, including local innovation projects i.e. through Children Young People and Families Grant (CYPF), Youth Support Development Fund (YSDF) etc, which are ending on 31 March 2011. These grants have historically benefited a diverse range of disadvantaged groups, including organisations working within equalities groups, providing services at national level but also included funding for local innovation projects.

This new DfE grants are primarily aimed at supporting activities of national significance. It is not intended that they should fund local delivery of services and therefore smaller organisations working with people with protected characteristics were less likely to apply. However, it is envisaged that there will be other funding programmes that are more suitable for small, local organisations to apply to, including DfE funding provided through local authorities and schools.

| Equality Target Areas | <p>How does the data identify potential or known <u>positive</u> impacts?</p> <p>How does the data identify any potential or known <u>adverse</u> impacts?</p> |
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| <p>Race (consider e.g. nationalities, languages)</p> | <p>The National Survey for Third Sector Organisations (NSTSO) (<i>1st Wave Survey undertaken between September and December 2008</i>) suggests that third sector organisations whose main beneficiaries are BME groups have the following characteristics:</p> <ul style="list-style-type: none"> • 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 • 54% do not receive any grant funding from statutory bodies. 24% receive funding from a local single tier council compared to 11% on average. • most organisations working with people from the BME community are small in size. |
| <p>Disability (consider social access and physical access)</p> | <p>The NSTSO suggests that third sector organisations focused on support to people with physical disabilities may have a distinct experience in terms of:</p> <ul style="list-style-type: none"> • More likely to be working mainly in: |

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| | <p>delivery of public services (21%); making grants to individuals or organisations (17%); helping people to access services or benefits (15%)</p> <ul style="list-style-type: none"> • 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) |
| <p>Gender</p> | <p>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:</p> <ul style="list-style-type: none"> • 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. |

WHAT THE EVIDENCE SHOWS

Analysis of projects currently funded, for example, under CYPF, suggest that approximately £7.5 million of the total funding available (£32 million CYPF funding in 2010-11) was awarded to organisations which primarily focused on SEN and Disability, ethnicity and gender issues. This represented **24% of the total grant funding awarded to protected areas in 2010-11.**

Indicative analysis of successful VCS grant bids for 2011-13 was undertaken to identify aspects of the proposals that addressed equality issues. Thirty six percent of the 148 successful bids were assessed. Of these, **53 per cent** included outputs or outcomes that addressed either SEN/disability, BME or gender specific needs. This equated to around £22.5m of investment in this group alone*. In overall terms, we estimate that **around 37.5% of the total**

DfE grant funding each year (circa £61/57m) will address these protected areas. The sample included all successful strategic partner bids and one third of successful bids randomly selected from each of the six funding themes.

(*Includes amount initially bid for in 2011-12 and 2012-13)

Special Educational Needs and Disability

In reaching important decisions about which activities are funded over the next two years, and ensure the best use of limited public funding, one of the key priorities (published in the DfE's *National Prospectus* on 22nd November 2010) is to improve support for disabled children, those with special educational needs and their families.

23 proposals submitted to the DfE are to be funded through the SEN and Disability theme at a total of around £7million in 2011-12 and £6 million in 2012-13. Activity will focus on achieving positive outcomes for children with SEN and disabled children; support for parents and advice, training and information for professionals. A range of activity will support children with specific impairments, including Autism, dyslexia, profound and multiple learning difficulties, behaviour, emotional and social difficulties, speech, language and communications needs, hearing impairments, visual impairments, multi-Sensory impairments and physical disabilities. In addition, there are likely to be other funding opportunities as a result of the forthcoming SEN and Disabilities Green Paper.

CHALLENGES AND OPPORTUNITIES

We are working closely with the Office for Civil Society and across Government to support the voluntary and community Sector through transition. For example, NSTSO shows that there are problems with lack of capacity within organisations working with people with protected characteristics, particularly organisations working with BME communities. We have taken this into consideration as part of establishing a new Strategic Partners programme which will take forward capacity building activities across the sectors. We are investing in five new strategic partners, including one for Special Educational Needs and Disabilities, to help us drive transformational change across the sector and to help organisations prepare for the future and improve outcomes for disadvantaged children, young people and families.

One of the defining features of the new Strategic Partners programme will be for policy makers to draw upon direct access to grass roots communities to better understand the interests and views of children, young people and families, including from organisations which are representing and addressing equality issues.

EQUALITY IMPACT ASSESSMENT (EqIA)

Taking into account the overall reductions in government grants for the VCS sector, our assessment is that the new DfE funding will not impact disproportionately on organisations which address either SEN/disability, BME or gender specific needs. We expect the funding to have a positive impact on equality issues – recognising there will be a shift towards funding a smaller number of larger national projects and reducing the large number of smaller projects that were previously funded.

NEXT STEPS

We will publish the EqIA on the DfE website by the end of February 2011, following announcement of the results of the funding competition. We will also monitor and review all future DfE funding for VCS organisations on a quarterly basis. This will help us to ensure that the impact of our transitional support is evaluated and that we also have a clear picture of the likely impact on equality issues as a result of any possible future changes to funding, for example, year two funding for organisations will be contingent on satisfactory performance and achievement of agreed outcomes in year one.

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