

Equality Analysis Report

Title of activity / Budget Proposal title and number CEX/B – Review of third sector grant funding and commissioning	Committee meeting (decision maker) and date Executive 20 January 2016
Service area Chief Executive's – Community Welfare	Lead officer Lee Phanco, Assistant Chief Finance Officer
Approved by Andy Watkins – Assistant Chief Executive & Chief Finance Officer	Date of approval 13 January 2016
<p>Description of activity: Reduce the amount of funding provided to third sector organisations;</p> <p><u>Chief Executive's – Revenues & Community Welfare</u></p> <p>The Council has traditionally provided financial support to third sector organisations through grant funding. Third sector organisations are able to submit applications for funding each year to the Grants Committee of the Executive makes decision on awards. Normally decisions are made in February each year. There are a number of recognised disadvantages associated with this process;</p> <ul style="list-style-type: none"> • There is no certainty of funding for applicants from year to year limiting the organisations' ability to plan services and finances • Applicants and the Council are required to allocate valuable resources each year to deal with the application process • The applications significantly exceed the available funding each year • The timing of the decision making process means organisation may not know the level of funding they will receive until shortly before the start of their financial year <p><u>Children's and Adults' Directorate – Adults Commissioning</u></p> <p>The Adults Commissioning service manages strategic planning and service plans for all client groups. The service area also deals with Voluntary Organisation contracts covering a range of client groups, Healthwatch Bedford Borough and Carer's expenditure. There are also external contracts for shared services covering Domestic Violence, the Community Equipment Store and the Meals contract.</p>	

The service ensures a suitable range of social care services are commissioned, within available resources, to meet the identified needs of vulnerable adults and carers in Bedford Borough. It acts to shape the various social care markets, promote efficiency and innovation from providers and support partnership working across health and social care. The Service also undertakes social care procurement, contract management and decommissioning in response to performance and changing needs.

NB Separate Equality Analyses have been completed for elements of this proposal covered by Adults' Commissioning

Proposed Changes to the Activity

Overview

It is proposed to review the current arrangements for third sector grant funding and commissioned work funding delivered through these two key service areas. It is proposed that all funding should move to commissioned services as it is considered that this approach will ensure that the limited funding available from the Council to third sector organisations is directed to assisting those residents most in need of the services offered through the third sector.

Commissioned services will also provide the following benefits to the Council:

- The services to be provided for the funding will be specified and commissioned through a competitive procurement process.
- Funding will be targeted at services and client groups identified as requiring assistance by the Council.
- A competitive process will ensure the Council, and local taxpayers, receive best value for money and will reduce the risk of 'duplication of funding' (i.e. funding being allocated to more than one organisation to provide similar services to similar client groups).

There will also be benefits for third sector organisations including the following;

- Greater security of funding as commissioned contracts will normally be issued for more than one year
- Reduced administration costs as there will be no requirement to submit annual funding requests
- The opportunity to bid for funding through a competitive commissioning process

It is recognised that some organisations may find the proposed reduction in funding challenging and, therefore, the Council will continue to provide non-financial support and assistance to third sector organisation, in conjunction with partners, to enable them to identify and apply for other sources of funding. It is also proposed to establish a cash-limited emergency hardship fund to enable assistance to be provided,

if essential, for a short-time in the event that funding is required by an organisation to avoid closure.

The specific proposals for each service are as follows:

Chief Executive's – Revenues & Community Welfare

It is proposed to discontinue grant funding for general advice services and third sector infrastructure support services. The Council will instead commission these services through a competitive commissioning process. Commissioning the services will ensure that local taxpayers receive the best value for money from the service providers and will provide assured funding to the service provider for the duration of the contracts; which are proposed to be for a minimum of three years. In turn this should allow the successful bidders to seek matched funding from other organisations. It is anticipated that a competitive process will result in savings of at least 10% compared to the current cost of grant awards.

It is proposed that the commissioned services will take effect from 1 October 2016 or as soon as practicable thereafter, to allow sufficient time to comply with appropriate procedures and regulations. In order to ensure continuity of service up to the commencement of the commissioned service it is proposed to extend the grant funding for the two existing providers for a further six months at 90% of the current award as shown in table 2 below. This transitional grant funding may be extended on a month by month basis for up to a further three months in the event that it is not practicable to complete the commissioning by 1 October 2016.

The grant funding provided to other organisations on a recurrent basis, currently £89,785, represents a small proportion of the Council's overall funding commitment to the third sector taking into account commissioned services, discretionary rate relief etc. Therefore, it is proposed to discontinue third sector grant funding, with the exception of Community Chest grants, from April 2016.

Please refer to the Equality Analysis Template Notes for guidance on completing this form.

Relevance Test

1. The outcomes of the activity directly and significantly impact on people, e.g. service users, employees, voluntary and community sector groups.	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
2. The activity could / does affect one or more protected equality groups.	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
3. The activity could / does affect protected equality groups differently.	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
4. One or more protected equality groups could be disadvantaged, adversely affected or are at risk of discrimination as a result of the activity.	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
5. The activity relates to an area where there are known inequalities.	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
6. The activity sets out proposals for significant changes to services, policies etc. and / or significantly affects how services are delivered.	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
7. The activity relates to one or more of the three aims of the Council's equality duty.	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
8. The activity relates to the Council's Corporate Plan objectives, is a significant activity and / or presents a high risk to the Council's public reputation.	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
9. An equality analysis of this activity is required.	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
This activity has no relevance to Bedford Borough Council's duty to eliminate unlawful discrimination, harassment and victimisation; to advance equality of opportunity; and to foster good relations. An equality analysis is not needed.				<input type="checkbox"/>
Explanation why equality analysis is not needed				
N/A				

Scope of equality analysis

Who is / will be impacted by the activity's aims and outcomes?	The proposal will only directly affect third sector organisations.
Which particular protected equality groups are likely / will be affected?	Any and all protected equality groups may be affected by the proposal depending on the decisions made by the third sector organisations that are directly affected by the proposal.

Evidence, data, information and consultation

What evidence have you used to analyse the effects on equality?

Evidence considered includes responses provided during the consultation period which is summarised below.

The following organisations are currently funded through third sector grants and have received funding from this source in each of the previous three financial years:

Name of Organisation	Grant Awarded 2015/16 £'s	Grant as % of Income
Bedford African & Caribbean Forum	4,000	12%
Bedford Credit Union	12,800	13%
Bedford Guild House	10,000	5%
Bedford Open Door	5,145	4%
Bedford Shopmobility	18,000	35%
Bedfordshire Rural Communities Charity (BRCC)	12,600	1%
Beds Refugee and Asylum Seeker Support (BRASS)	9,240	12%
Faith in Queen's Park	8,000	12%
Family Groups Bedford	4,000	4%
Home Start / FACES	6,000	5%

All of the above organisations are covered by monitoring arrangements and information provided through this process has also been considered.

What consultation did you carry out with protected equality groups to identify your activity's effect on equality?

This proposal was subject to public consultation from 19 October to 14 December 2015. In summary 135 response forms were received which rated the proposal as follows:

Strongly agree	Agree	Neither agree nor disagree	Disagree	Strongly disagree	Don't know / no opinion
17	12	5	7	93	1

The above included responses from Bedford CAB, ACCM, The Federation of Small Businesses, Great Barford Parish Council, BRCC and Bedfordshire & Luton Learning Partnership.

In addition written responses were made by the following organisations: CVS, Oakley Rural Charity, Autism Bedfordshire, BeCHaR (Prebend Day Centre) and Carers in Bedfordshire.

Two petitions were received in support of continuing the funding for the following organisations:

- Bedford Guild House – 245 signatures
- Shopmobility – 102 signatures

A third petition with 21 signatures was received requesting that the Council does not close the Prebend Street Day Centre (BeCHaR). The Council has no power to close the Prebend Street Day Centre and has not proposed to do so. It is, however, assumed that the petition relates to the proposal to reduce the funding to BeCHaR.

Written responses were also received in support of individual organisations as follows: Bedford Guild House (2 responses), Shopmobility (2 responses) and Autism Bedfordshire (1 response)

As part of the consultation a meeting was organised by CVS (1 December) with voluntary sector organisations that might be affected by this proposal, Council officers were in attendance to outline

	<p>the proposal and respond to questions (notes of this meeting are included in the Background Papers).</p> <p>Representations from, or in support of, individual organisations all argue for the importance of the services provided by the voluntary body concerned and the impact any reduction in funding might have. In view of the large number of responses it is not possible to list all comments here and members are directed to the Background Papers which contains full copies of all matters that have been raised during the consultation. There are though some key overarching themes from the consultation:</p> <ul style="list-style-type: none"> - Positive impact of service on individual's health and well-being and if reduced the additional pressure on Council (social care and housing) services; - Social value / return and general value for money of the voluntary organisations concerned for relatively small amounts of grant which in turn supports a vibrant third sector; - Importance of local knowledge for any services that are commissioned in the future; - Using some of existing (BRCC) grant to enable third sector infrastructure support service to be provided; - What about exploring three year grant funding process?; - Commissioning will be time consuming and will stifle innovation; - Procurement exercise must be fair and robust and could disadvantage smaller organisations who do not have experience of commissioning; - Importance of Council grants for attracting match funding; - Rather than commissioning suggest 'strategic grant' approach; - Smaller grants should remain in place; but support proposed transition arrangements; - Hardship Fund acknowledged but this is a last resort and might support organisations that are unsustainable; - Impact of reductions on services provided in rural areas; - Council needs to signpost organisations to other funders
<p>What does this evidence tell you about the different protected groups?</p>	<p>The evidence suggests that any reduction in funding could have a negative impact on a number of protected groups. Namely: older people (Bedford Guild House), people with disabilities (Shopmobility), race (Bedford African & Caribbean Forum and BRASS); religion or belief (Faith in</p>

	Queens Park). However, the effect, if any, will be dependent upon the decisions taken by each organisation to manage the reduction in funding.
What further research or data do you need to fill any gaps in your understanding of the potential or known effects of the activity?	None

General Equality Duty

Which parts of the general equality duty is the activity relevant to?			
	Eliminate discrimination, harassment and victimisation	Advance equality of opportunity	Foster good relations
Age	Funding assists organisations that support older people who may feel excluded from social activities aimed primarily at younger people.	Older people have access to activities that help prevent physical and mental decline thus maintaining opportunity for independent living into older age.	Older people from all sections of the community meet in a positive social environment
Disability	Funding assists organisations that support people with disabilities who may feel isolated from social activities	People with disabilities have access to social activities that help prevent physical and mental decline thus maintaining opportunity for independent living.	Organisations raise awareness amongst the general community of forms of disability, the effect of disability on people's day to day lives and opportunities to overcome barriers created by disability
Gender reassignment	N/A	N/A	N/A
Pregnancy and maternity	N/A	N/A	N/A
Race	Funding assists organisations that support people who may feel excluded on the basis of race	People from different ethnic groups are provided with opportunities for inclusion	People from different ethnic groups are provided with opportunities to meet in positive environments
Religion or belief	Funding assists organisations that	People with different religions or	People from different religions of

	support people who may feel excluded on the basis of religion or belief	belief groups are provided with opportunities for inclusion	belief groups are provided with opportunities to meet in positive environments
Sex	N/A	N/A	N/A
Sexual orientation	N/A	N/A	N/A
Marriage & civil partnership	N/A		

Impact on equality groups

Based on the evidence presented what positive and negative impact will your activity have on equality?				
	Positive impact	Negative impact	No impact	Explanation
Age	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Reducing funding to Bedford Guild House could have a negative impact on this group. Approximately 500 people aged 50 years and over access the Guild House services every month. Opportunities provided by the Guild House for older people aged 50 and over to participate in social activities, sustain friendships and ensure social connectedness will decrease or stop altogether if the proposal to discontinue funding for the organisation continues and the organisation ceases to operate as a result.
Disability	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Reducing funding to Shopmobility could have a negative impact on this group as this organisation provides wheel chairs and mobility scooters for hire for use in Bedford Town centre for people with disabilities.
Gender reassignment	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	None identified.
Pregnancy and maternity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	None identified.
Race	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Reducing funding to Bedford African Caribbean Forum or BRASS could have a negative impact on this group as this organisation supports people and provides activities for people from different ethnic backgrounds.

Religion or belief	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Reducing funding to Faith in Queens Park could have a negative impact on this group as this organisation supports people and provides activities for people from different religious or faith backgrounds.
Sex	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	None identified.
Sexual orientation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	None identified.
Marriage & civil partnership	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	None identified.
Other relevant groups	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Reducing funding to Home Start and Family Groups could have a negative impact on vulnerable families.

Commissioned services

What equality measures will be included in Contracts to help meet the three aims of the general equality duty?	Equality Act requirements are included in all contracts
What steps will be taken throughout the commissioning cycle to meet the different needs of protected equality groups?	Equality monitoring is carried out for all contracts

Actions

	What will be done?	By who?	By when?	What will be the outcome?
Actions to lessen negative impact	1. Phase in the reduction in funding	Executive	1 April 2016	This will allow organisation

It is proposed that the majority of organisations that have received recurrent grant funding over each of the last four years and, therefore, are more reliant on this source of funding should receive transitional protection grant funding for one financial year. This will assist those organisations most reliant on this source of financial support whilst they establish more sustainable sources of funding or otherwise review their income and expenditure. It is considered that small organisations that have been awarded a grant of less than £10,000, but which constitutes more than 10% of their income are likely to be most dependent on this source of income and, therefore, their funding will not be reduced in 2016/17.

The proposed transitional protection is as follows:

Name of Organisation	Grant Awarded 2015/16 £'s	Grant as % of Income	Proposed Grant 2016/17 at 100% £'s	Proposed Grant 2016/17 at 60% £'s	Proposed Grants 2016/17 at 30% £'s
Bedford African & Caribbean Forum	4,000	12%	4,000		
Bedford Credit Union	12,800	13%		7,680	
Bedford Guild House	10,000	5%	n/a	n/a	n/a
Bedford Open Door	5,145	4%			1,544
Bedford Shopmobility	18,000	35%		10,800	
Bedfordshire	12,600	1%			3,780

time to review their financial arrangements and to determine the action they wish to take.

	Rural Communities Charity								
	Beds Refugee and Asylum Seeker Support (BRASS)	9,240	12%	9,240					
	Faith in Queen's Park	8,000	12%	8,000					
	Family Groups Bedford	4,000	4%				1,200		
	Home Start / FACES	6,000	5%				1,800		
	2. Establish and Emergency Hardship Fund							Executive	
	<p>It is proposed to establish a one-off emergency hardship fund of £50,000 for the purpose of providing assistance during the 2016/2017 or 2017/2018 financial year to organisations in the event that emergency funding is required by an organisation in order to avoid closure. The proposed criteria for this Hardship Fund is shown in Appendix A;</p>							1 April 2016	The emergency hardship fund will be able to provide emergency funding in the event that any organisation is at imminent risk of closure or significantly

				reducing its service purely as a result of the reduction on funding from the Council.
	<p>3. Establish Funding for Community Chest Grants</p> <p>It is proposed to establish a Community Chest Fund of £40,000 for the purposes of making small awards to third sector organisations in accordance with the existing Community Chest awards criteria.</p> <p>Individual awards will be limited to £1,000 and the maximum total expenditure in each financial year will be limited to £10,000.</p>	Executive	20 January 2016	The funding will enable the Council to make awards for sums of up to £1,000.
	<p>4. Commissioning of Third Sector infrastructure support.</p> <p>The commitment to continuing funding for third sector infrastructure support will help to ensure that there is a robust support service in the Borough to assist other third sector organisations to source funding, manage their finances and improve their efficiency.</p>	ACEX & CFO	1 October 2016	A commissioned service established with an organisation or organisations with a track record of providing robust third sector infrastructure support services.
	5. General Support and Signposting	ACEX	Ongoing	The Council

	Council officers will continue to work with organisations that are currently supported through third sector funding to assist in identifying alternative sources of income, including other grants and commercial sponsorship.	&CFO		will use it knowledge and relationships with other funders and businesses to assist
Actions to increase positive impact	None identified			
Actions to develop equality evidence, information and data	N/A monitoring arrangements will remain in place during the period of transitional funding. Contract arrangements will allow for appropriate monitoring of equality data.			
Actions to improve equality in procurement / commissioning	In progressing the commissioning of services, particularly in respect of the proposed new areas of commissioning – general advice services and third sector infrastructure support services – appropriate consideration will be given to social value and to how the commissioning will assist the Council in fulfilling its statutory equality duties.	ACEX &CFO	1 October 2016	Commissioned services comply with the equality duty.
Other relevant actions	<p>The Council in the capacity of Trustee administers a charitable trust, the House of Industry Estate. This Trust provides funding to third sector organisation for the purpose of assisting residents of the Borough in need, hardship or distress. Whilst the Trust does not normally fund general running costs awards can be made where emergency revenue funding is required. Funding can also be provided for specific projects and capital items.</p> <p>Third sector organisations will be signposted to apply to the House of Industry in the event they require emergency revenue funding, or where it appears a funding application may meeting with the remit of the Trust.</p>	ACEX &CFO		An alternative source of funding will be available, subject to an application process, for organisations seeking emergency revenue funding or other funding

				that meets the Trust's criteria for awards.
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Recommendation

No major change required	<input checked="" type="checkbox"/>	
Adjustments required	<input type="checkbox"/>	
Justification to continue the activity	<input type="checkbox"/>	
Stop the activity	<input type="checkbox"/>	

Summary of analysis

In preparing this report, due consideration has been given to the Borough Council's statutory Equality Duty to eliminate unlawful discrimination, advance equality of opportunity and foster good relations, as set out in Section 149(1) of the Equality Act 2010.

The Council provides funding to third sector organisations through either grants or commissioning and in turn these third sector organisation provide services to residents. In many instances the third sector organisations provide service to persons from groups with protected equality characteristics. In some cases services are directed at specific groups, e.g. older persons, disabled persons etc. In other cases services are more universal, e.g. advice services, homelessness services, and are likely to include persons from groups with protected equality characteristics within their client groups.

Grant funding is provided on an annual basis and, therefore, organisation do not have any security of grant funding. However, it is recognised that organisation that have consistently received funding over the last four years may have a reasonable expectation that the funding will continue. In recognition of this potential expectation the reduction in grant funding will be phase over one year rather than immediately withdrawn.

Some organisations are more reliant than others on this source of funding and, therefore, the amount provided under the phasing will be higher for those organisations more dependent on this source of funding.

The Council's decision regarding funding will not directly impact on persons from groups with protected equality characteristics. The impact, if any, will depend on decision taken by each third sector organisations on how it will manage the effect on its finances. It is expected that organisations will take a rounded approach to dealing with reductions in funding including;

The Council has identified a range of mitigating actions, as set out above, which will assist in minimising any negative equality impact.

It is recognised that the funding provided in 2015/16 amounts to 5% or less of the annual income for five organisations, 12% for three organisations, 13% for one organisation and 35% for one organisation. It is expected that those organisations where the funding amount to up to 5% of the annual income will be able to adapt to the reduced funding without needing to consider reducing services.

Where income amounts to 12% or 13% it is expected that organisations will need to consider a range of options to adapt including sourcing additional funding, reviewing charging policies, making efficiency improvements and, potentially, minor reductions in services.

Shopmobility receives the highest amount of funding as a proportion of its income, 35%, through a third sector grant. However, it is noted that the organisation recorded a surplus in its annual accounts for each of the last four years, including a surplus of £11,157 for the year ended 31 March 2015. The organisation also has brought forward reserves of £45,000. Therefore, the organisation is in a position to absorb some reduction in funding without the need to reduce services. The organisation's higher level of dependence on grant funding is recognised and to mitigate any potential impact on service users Council officers will work with the organisation to seek to identify additional sources of funding including commercial sponsorship from town centre businesses.

Monitoring and review

Monitoring and review	Review date
The effect of the transitional funding arrangements will be monitored through service level agreements	Quarterly through 2016/17.
The effectiveness of commissioned service will be monitored through normal service level agreements and contract monitoring processes.	As determined by the contracts from October 2016

Appendix A –

Proposed Criteria for Emergency Hardship Fund Awards

1. Only one application will be considered from each organisation.
2. The total funding provided in any one financial year through the hardship fund and transitional protection grant funding shall not exceed the third sector funding allocated to any organisation through the above services for 2015/2016 for existing service provision.
3. Applicants will need to demonstrate that without the award of emergency hardship funding it is likely that the organisation will have to cease operations or very significantly reduce the service the organisation provides solely due to the reduction in funding from the Council as a result of this proposal.
4. Applicants will need to demonstrate that funding has been sought without success from other sources (for example grant applications, sponsorship, and fees and charges for services, etc.) and that this has not generated sufficient income to maintain the financial viability of the organisations.
5. Applicants will need to demonstrate that consideration has been given to other measures to address the reduction in income, such as improving efficiency, reducing costs, increasing or introducing fees or charges and demonstrate that these measures are not viable.
6. Applications will only be considered where the organisation's available financial reserves are expected to be fully utilised (excluding any reserve required exclusively for statutory obligations arising from closure of the organisation – e.g. redundancy payments).
7. Funding will not be provided to meet any costs associated with the closure or winding up of the organisation (e.g. redundancy costs) it is expected that organisation should have established suitable levels of financial reserves for this contingency.
8. All awards will be subject to the funding being available through the Hardship Fund. Once the Fund has been fully allocated no further awards will be considered.

The Council will determine the amount to be awarded and this may be less than the amount requested but not more.