

Equality Impact Assessment:

**Modernisation Fund and
Targeted Support Fund**

Office of the Third Sector

April 2009

EQUALITY IMPACT ASSESSMENT

Office of the Third Sector
Cabinet Office

PRELIMINARY SCREENING

Date of Screening	30 March 2009
Name of Screener	Annie Cooper
Director	Campbell Robb

The Targeted Support Fund is a new programme. The Modernisation Fund comprises a grants strand, which is a new programme, and a loans strand, which can be seen as a change to an existing programme.	x	This is new
	x	This is a change to an existing policy
		This is an existing policy, not previously assessed

Aims, Objectives & Projected Outcomes

The Targeted Support Fund and Modernisation Fund are both part of the Third Sector Action Plan; *'Real Help for Communities: Volunteers, Charities and Social Enterprises'*, announced in February 2009. The Action Plan was an immediate government response to the huge increase in demand that third sector organisations were facing as a result of the recession. The aims of the action plan are: to help the third sector meet demand for services now, and strengthen their resilience for the future.

Modernisation Fund

The Government's £16.5 million 'Real Help for Communities' Modernisation Fund will help third sector organisations be more resilient to the impact of the economic downturn. It is focused on helping organisations providing services to those worst hit by the recession.

Targeted Support Fund

The aim of the Targeted Support Fund is to help small local service delivery organisations to meet increased demand for services as a result of the recession and to address the longer term sustainability issues of their local funding relationships. It will do this through two elements; a £15 million grants programme and a £0.5 million programme to develop stronger commissioner engagement with small/medium providers.

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
If this is an amendment of an existing policy, was the original policy impact assessed?	N/A

FULL IMPACT ASSESSMENT

Date of Assessment	6 April 2009
Name of Assessor	Annie Cooper, Lindsey Bromwell, Fay Rankine

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?
	<p><u>A note on the data</u></p> <p>A range of data and qualitative engagement has been used to look at positive or adverse (potential) impacts of the funds on equality target areas as detailed below. The Modernisation Fund and Targeted Support Fund are underpinned by the Action Plan principles; including helping achieve equality and social mobility.</p> <p>An important source of data in looking at impact of these policies has been the National Survey of Third Sector Organisations (NSTSO), the largest ever survey of the third sector in England. The NSTSO asked respondents to identify their main beneficiaries, which included women, older people, those with physical disabilities, people with learning difficulties, people from BME communities, faith communities and LGBT people. It is possible to see how those organisations with these specific beneficiaries responded, and how their experience differs, both between different equalities groups and with the sector overall. However, the findings presented here have not been tested for statistical significance.</p> <p>Also, although most of the above equalities groups were identified as main beneficiaries by less than 10% of respondents, women and older people were more widely identified as beneficiaries, so there are clear difficulties in using these responses as a proxy for the women's sector, or for older people's organisations.</p>

	<p>Specific information on the impact of the recession on third sector organisations and different groups of people has also been obtained through consultation and with information provided by third sector organisations. Qualitative data has been obtained through various consultations and discussions with a range of third sector stakeholders.</p>
<p>Race (consider e.g. nationalities, languages)</p>	<p>The National Survey for Third Sector Organisations (NSTSO) results are preliminary but the NTSO suggests that third sector organisations focused on support to BME groups may have a distinct experience in terms of:</p> <ul style="list-style-type: none"> • focus on community development, cohesion and civic participation, economic wellbeing, equalities and civil rights, education, capacity building and training; • less likely than average to report that their organisation is successful in meeting its main objectives; • above average concern about levels of income, financial reserves, space to operate, staffing and availability of grants, loans and contracts; • below average reliance on income from investment and membership fees, but more likely to rely on grants, including from NDPBs; • more likely than average to report accessing support from other third sector organisations locally; <p>Third sector organisations focused on BME communities sent submissions to the Office of the Third Sector, on the response to the recession. These pointed to:</p> <ul style="list-style-type: none"> • Concerns about a lack of resources and funding for the BME sector, which could be exacerbated by the recession. • Advice and counselling services that are accessible to BME communities, or targeted at them, can be particularly important where the recession leads to stress, debt and reduced income. • A need to meet rising demand for particular recession-related services in deprived areas, in housing, general social services, community and economic development, unemployment, homelessness and poverty • The need for access to finance, and support from infrastructure around securing income streams and developing social enterprise. • The need for investment in volunteering activities as a pathway back into paid employment. • Investing in building the capacity of the third sector to help organisations cope with the recession (particularly for small grassroots organisations).

	<p>Potential impacts of the funds, in relation to the data</p> <p>The data suggest that to have a positive impact, the funds need to be accessible to BME organisations focused on delivering objectives of cohesion, economic wellbeing, housing, unemployment and poverty, as these areas may be particularly affected by the recession. The funds should enable them to deliver recession-related services, where needs are increasing. The data suggest that grants and support from local third sector organisations, and from NDPBs, can be accessed by BME organisations. Support should enable organisations be more financially sustainable, and also build their capacity to cope with the recession.</p>
<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: health and well-being; equalities/ civil rights; training; community development and mutual aid. • Slightly more likely to report being very successful or fairly successful in meeting organisational objectives. • More likely to get support from other third sector organisations in their areas and more likely to be satisfied with support from other third sector organisations. • More likely to rely on donations and fundraising and grants and core-funding than other third sector organisations. <p>Third sector organisations focused on disability communities sent submissions to the Office of the Third Sector, for the government Action Plan responding to the recession. These reported that Disabled People’s Organisations (DPOs) are disadvantaged and restricted in their development in areas including funding, costs of access, commissioning and tendering, skills retention and shortages, governance and leadership and capacity building support. One respondent suggested that they are also sometimes excluded from mainstream capacity building. Disabled people are at particular risk of disadvantage during difficult economic times due to existing barriers to employment (e.g. two out of three blind and partially sighted people of working age are not in employment).</p> <p>There was some support for the benefits that organisations can achieve through joining forces and a recommendation that the Government should support closer collaborative working between organisations through measures such as</p>

	<p>facilitating legal advice in respect of mergers and other partnerships.</p> <p>There was strong support for simplifying Gift Aid in order to encourage giving in a time of economic hardship and reduce the administrative burden on third sector organisations.</p> <p>Potential Impacts of the funds</p> <p>The recession may have a disproportionately negative effect on people with disabilities, in terms of access to employment. The funds should have a focus on employment, and be open to organisations working in some of the following areas health and well-being; equalities/ civil rights; training; community development and mutual aid. Responses to the consultation suggest that collaboration could be of benefit to organisations working with disabled people.</p>
<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 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 more likely to raise income through membership fees and subscriptions and less likely to rely on donations. <p>Potential Impacts of the funds</p> <p>There is a lack of evidence to measure how the recession is impacting upon organisations working with women and on women themselves however early reports indicate that women could be disproportionately affected by the recession see http://www.tuc.org.uk/extras/womenandrecession.pdf. The funds should be open to organisations working in some of the following areas: community development and mutual aid and culture, arts and leisure; cohesion/ civic participation; accommodation/ housing; training. The funds should be</p>

	<p>marketed effectively to reach women's organisations.</p>
<p>Sexual Orientation and Gender Identity</p>	<p>The NSTSO shows that third sector organisations focused on support to LGBT communities have a distinct experience in terms of being:</p> <ul style="list-style-type: none"> • More likely than any other groups 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 • Slightly less likely to report being very successful. • Much less likely to be satisfied with their overall level of income • Significantly less likely to be satisfied with levels of management and leadership, paid staff, trustees, financial services, ICT, advice and support, and networking opportunities <p>Potential impacts of the funds</p> <p>LGBT organisations appear to be dissatisfied with current resource levels in a number of areas possibly indicating that they are more in need of support and assistance. The funds should be open to organisations working in some of the following areas community development and mutual aid and culture, equalities and civil rights, arts and leisure, and cohesion/ civic participation.</p>
<p>Religion or Belief</p>	<p>The NSTSO shows that third sector organisations from faith communities have a distinct experience in terms of being:</p> <ul style="list-style-type: none"> • 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.

	<p>Our consultation raised no specific concerns from faith organisations relating to the specific funds. The role of existing infrastructure was highlighted as having particular significance in delivering support through the Modernisation Fund.</p> <p>The consultation suggested that faith organisations are an important provider of public services, so good quality contracting and commissioning is key. There was a suggestion that three year long contracts were too short a time period. Small faith organisations may lack the resources to claim Gift Aid. They proposed that government automatically repays Gift Aid taxation. Irrecoverable VAT was also cited as an issue. They supported a proposal for reduced VAT rate for repairs and maintenance to listed places of worship but would wish for this to be extended to all places of worship. There were calls for the interest on beneficial loans to be reduced. There were concerns about the surface water and drainage charges that have increased significantly.</p> <p>Potential impacts of the funds</p> <p>The funds should be open to organisations working in cohesion or community development. It is difficult to establish the direct relevance of the Modernisation Fund in relation to faith organisations using the data we have available. We need to ensure that infrastructure organisations are involved in the delivery of services, and that faith organisations can be well connected to this through appropriate marketing of all funds available.</p>
<p>Age</p>	<p>Contributions from our consultation with third sector organisations showed that there is a need to join up care services offered to older people.</p> <p>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:</p> <ul style="list-style-type: none"> • 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 • Slightly more likely to have met its main objectives and slightly more satisfied with income levels.

- Slightly less satisfied with levels of support and advice and networking opportunities
- Slightly more likely to rate membership fees, income from trading and investments as important sources of income.

There is some evidence about the impact of the recession on older people from third sector organisations working in this area. Age Concern and Help the Aged report that the number of people over 50 who are unemployed has risen by 312,000 over the last year, and highlight the potential the recession has to disproportionately affect those closer to retirement age. There are also issues around loss of income and increased fuel and food prices (One Voice, Shaping our Ageing Society – Age Concern, Help the Aged- 2009) www.ageconcern.org.uk

Potential impacts of the funds

There is a need for the funds to be open to organisations working with community development and cohesion, and while age focused organisations show an above average ability to meet its objectives, the increase in unemployment among older people shows that an increased demand for services is likely and that the funds should offer support and advice to the sector to enable increased capacity.

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

For example, you may need to ensure quantitative & qualitative data groups include stakeholders with respect to this policy.

N.B Include any recommendations in your action plan

- The Modernisation Fund and Targeted Support Fund will monitor impact on equalities groups
- Funded by OTS, Capacitybuilders research will track the impact of the recession on third sector organisations, as they respond to changing needs of their communities and the individuals who use their services.
- The NSTSO shows that organisations working with different equalities groups are as likely as the third sector generally to access funds from non-statutory bodies. The Targeted Support Fund will be delivered by non statutory 'Local Funders' to maximise accessibility of the grants.
- OTS is hosting a summit in summer 2009 to gather information and pull together evidence of the impact of the recession on the third sector.
- Data from the National Survey of Third Sector Organisations has been used in this EIA
- The next National Survey of Third Sector Organisations will be taking place in 2010 and subject to full examination of the data from the 2008 survey, OTS will consider options for commissioning further detail specifically relating to different equalities groups as part of the third sector for the 2010 survey. This will enable more robust information to be collated for the future, based on the current picture of the sector.

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

Modernisation Fund

Staff: in local third sector support organisations (acting as local delivery agents for the grants strand), Capacitybuilders, Futurebuilders, Office of the Third Sector and third sector infrastructure organisations.

Stakeholders: individuals suffering from the impacts of the recession, and needing support from frontline organisations; third sector organisations needing support for collaboration and merger; third sector support providers working in related areas, such as collaboration advice. Other government departments such as Charity Commission and Communities and Local Government and other statutory agencies such as RDAs and Local Authorities. Third sector umbrella bodies such as BASSAC, NCVO, Voice for Change, Acevo, DTA (this is not an exhaustive list).

Customers / community groups: primarily third sector organisations delivering recession-related services. For grants they must have turnover of £150k - £750k.

Targeted Support Fund

Stakeholders: Community Development Foundation (CDF) who are administering the local fund in England, along with the Local Funders Network who will be delivering the fund. National bodies and infrastructure support bodies representing third sector organisations for example NCVO, CEMVO

Customers: Small third sector organisations, delivering recession focused services that are situated in the 50 top tier local authority areas targeted by this funding

What are the overall trends and patterns in this qualitative & quantitative data?

Disproportionality; regional variations; different levels of access, experiences or needs; combined impacts.

Quantitative evidence of trends in data on the impact of the current recession on third sector organisations working with specific equalities groups is not available. However, the Equality and Human Rights Commission is working in partnership with the Department for Work and Pensions to assess how the recession may be impacting on different groups, for example women, ethnic minorities and older and disabled people.

This work will also consider the policies the Government could put in place if evidence shows that these groups are disproportionately affected by the downturn, and how to properly target help to take advantage of a post-recession recovery.

Although the NSTSO results are least clear for women's organisations, Government Equalities Office research (March 2009) showed that women are more likely than men to feel that the economic downturn has reduced the quality of their family life, and are more worried about unemployment within their family.

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

- What are the specific impacts of the recession on the third sector and those working with equalities groups?
- How can the funds be inclusive of third sector organisations working with equality and diversity?
- What are the likely barriers for equalities groups in terms of accessing funding available?
- How can the funds be designed to best achieve their goal of helping the third sector during the recession and increase its capacity for the future?

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, Staff Networks & Associations	These programmes do not impact on workforce or staffing issues within the Office of the Third Sector, or other Government departments. The programmes are developed and overseen by existing OTS staff. As NDPBs are involved in delivery of the programmes, there will be an impact in terms of creating job opportunities in programme delivery. This is welcomed by delivery partners.

How have you consulted, engaged and involved internal stakeholders in considering the impact of this proposal on other policies and services?
<p>Following a period of external stakeholder engagement where we invited our strategic partners (including different equalities groups' umbrella bodies) to contribute to policy development, an outline of the proposed Modernisation Fund was developed in January 2009.</p> <p>The proposal was shared with the following departments and NDPBs: Communities and Local Government, Business Enterprise and Regulatory Reform, Big Lottery Fund, Community Development Foundation, Futurebuilders England, Capacitybuilders and the Charity Commission. We asked for each of the stakeholders to feedback their comments on the Modernisation Fund. Officials from the Office of the Third Sector had a meeting with staff from the Charity Commission to get their input into the design of the plan and to outline the proposals.</p> <p>The outline plan for the Targeted Support Fund was also developed during January 2009 and was shared with Community Development Foundation (CDF), Communities and Local Government and the Ministry of Justice. Officials from the Office of the Third Sector met with staff at the Advice Services Alliance and the Learning and Skills Council to discuss issues on advice and legal services plans in relation to the fund.</p> <p>Before the action plan was launched we sought clearance for the plan from all other Government Departments including Government Equalities Office.</p>

What positive and adverse impacts were identified by your internal consultees? Did they provide any examples?

The discussion with the Charity Commission highlighted that organisations need to be able to make well informed decisions about the impact that a merger or collaboration might have on their organisation. Sometimes organisations might enter into joint ventures that are not suitable and which might actually be harmful to an organisation's long-term prospects. They also advised that organisations need to have realistic expectations about the cost and time implications of entering into mergers and other types of formal collaborations. The Charity Commission has published guidance on mergers and collaborations which they provided us with.

Discussions with the LSC and Advice Services Alliance highlighted the need for organisations providing advice and guidance to have not only the appropriate qualifications and insurance but have a clear track record in this area of work. The issue of threshold for turnover for applicants was also raised, noting that a small cohort of paid staff would be likely for the potential applicants for this programme.

EXTERNAL CONSULTATION & INVOLVEMENT

Does this policy affect the experiences of third sector staff? How? What are their concerns?

Trade Unions

In its submission to the Office of the Third Sector, Unite the Union pointed to high levels of stress among third sector workers, caused by long hours, concerns about pay and conditions, and uncertain job security. Unite called for support for improved management practices and pay systems. Commissioning should focus on the quality of the service, and be accessible to small organisations. Volunteering should not be used in place of paid employment. Unite called for increased investment in services where third sector organisations are likely to see an increased demand due to the recession.

How have you consulted, engaged and involved external stakeholders in considering the impact of this proposal?

- The Minister for the Third Sector, chaired a summit with the National Council of Voluntary Organisations on 24th November 2008. This focused on the impact of the downturn on the third sector. This helped shape developing ideas for the Government Action Plan.
- In December 2008 OTS issued a call for evidence on the impact of the recession on the third sector. Nearly 100 responses were essential in shaping the Government Action Plan. These responses included groups focused on age, LGBT communities, BME groups, women and disabled people.
- On 15th December, OTS held a consultation meeting on the Government Action Plan for OTS strategic partners and the OTS Advisory Body, at which 38 organisations representing a broad range of third sector stakeholders were asked for views on developing the action plan. (http://www.cabinetoffice.gov.uk/third_sector/about_us/strategic_partners.aspx)
- In developing the Action Plan, OTS liaised with the Government Office of Equalities.
- On 25 February 2009 OTS held a stakeholder seminar to help shape the design of the Targeted Support Fund and Modernisation Fund. Organisations focused on a range of equalities issues were invited, including those focused on race, LGBT, women and disability. Over 50 delegates attended from across the third sector.
- On 16th and 22nd April 2009 further meetings were held with Voice4Change England, CEMVO, Women's Resource Centre, LGBT Consortium and Church Urban Fund. Organisations working with older people and disabled people were also invited. These meetings particularly focused on looking at the design and implementation of the funds, and their particular relevance to, and impact on, different equalities groups.

Modernisation Fund

How did your engagement exercise highlight positive and negative impacts on different groups / communities?	
Race	<p>Feedback from our consultation period suggested that BME Third Sector organisations have been in a relatively weak position in terms of getting adequate funding for a long time. There was a positive response to exploring the potential benefits for BME Third Sector organisations to share back office functions to save costs and be more efficient in running services. There was an assertion that resourcing this would be important.</p> <p>One stakeholder suggested that BME organisations tend to be small in size and therefore there should be steps taken to ensure that smaller organisations can access funding.</p>
Faith	<p>Our consultation suggested that faith organisations are an important provider of public services and therefore good quality contracting and commissioning is key. Issues around Gift Aid, VAT, interest on beneficial loans, and surface water and drainage charges were raised but were not directly relevant to the Modernisation Fund.</p> <p>There were no specific concerns from Faith Organisations relating to the Modernisation Fund. The role of existing infrastructure was raised as having particular significance in delivering support through the Modernisation Fund.</p>

<p>Disability</p>	<p>Consultation suggested that a Modernisation Fund could have benefits for organisations working with disabled people and government should provide funding for organisations to access legal and financial advice.</p> <p>One respondent suggested that if charities work in the same interest areas in different parts of the country, they could work in more collaborative ways that nonetheless enabled them to maintain their own unique identifier and focus on local need, while still achieving savings. There was a concern that this sort of collaboration is useful, as pulling small charities together into one big charity may not encourage donors to give, or volunteers to support.</p> <p>The fund could play a role in providing strategic advice to those that they identify themselves as possible merger candidates. Another alternative would be to hold seminars of charities with similar aims to see what partnerships could work.</p>
<p>Gender</p>	<p>Our consultation suggested that the Modernisation fund could provide potential benefit to organisations that are providing services for women such as women’s refugee centres. They felt that special attention needed to be paid to the process by which applicants gained access to the fund. In particular, the application process should not be too time-consuming. It was felt that small organisations might be put off by overly bureaucratic processes. In relation to the diagnostic tool, we should make sure that the language is clear and jargon-free. It should be made clear that single issue groups are entitled to apply for this fund.</p> <p>A point that applied to all aspects of the fund was that there should be an attempt to ensure a fair spread across of funding for organisations working with marginalised or disadvantaged groups. It was suggested that further discussions could be needed about achieving this.</p> <p>The importance of targeting promotional activities towards organisations working with marginalised or disadvantaged groups was also highlighted.</p>
<p>Sexual Orientation and Gender Identity</p>	<p>LGBT groups that were consulted felt that as the network of LGBT organisations is already very small, there would be little value in increasing collaboration or merger within these groups. Other funds such as the Targeted Support Fund and Grassroots Grants may be of more interest.</p>

Age	A contribution from an organisation working with older people highlighted that whilst small local charities do valuable work they often duplicate the work of others in the same area. There is therefore a potential need to see a clear path to merging their services and getting funding as a result. They may need to be shown a model that will resolve the issues and be asked to get together to provide that service. There is a role for Government in taking the initiative and steer local decision makers and commissioners to assist.
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Targeted Support Fund

How did your engagement exercise highlight positive and negative impacts on different groups / communities?	
Race	During the consultation stakeholders commented that organisations working with minority groups already face inequalities within the third sector generally. This means that during the recession, these inequalities could be exacerbated if policy fails to ensure that funding can be accessed by BME organisations (which tend to be smaller). Also a comment was that BME organisations are less likely to be registered charities than other organisations and so the smaller, unregistered organisations would not be able to apply for the fund.
Faith	Consultation suggested that faith organisations offer a valuable role in supporting their local communities, and faith-based organisations are smaller and volunteer-led, and may not be in contact with mainstream support services like CVs and as such, marketing of the Targeted Support Fund needs to ensure that faith-based organisations hear about the fund and can apply if they wish.
Disability Rights	Consultation brought out the idea that direct grant funding to small voluntary organisations is needed to help fill gaps in provision and support communities, rather than infrastructure support or capacity building help. It also indicated that the recession will hit disabled people hard as they are already under-represented in paid work and volunteering. There was a concern that focusing on JSA claimants as beneficiaries could exclude disabled people.

Gender	Consultation showed that organisations working with women should not be excluded from the Targeted Support Fund and other funding because they are not 'open to all'. It was felt that some ring-fencing of funding for different equalities groups could be helpful to ensure that those most at risk of increased deprivation are reached. For small organisations that would apply to the Targeted Support Fund, a key concern was that application processes be clear, proportionate and transparent.
Sexual Orientation and Gender Identity	Areas of concern were that there were not necessarily statistics available on different equalities groups at a local level. This could mean that decisions made do not reflect the needs of all equalities groups where lack of information prevents/reduces their clear identification as potential beneficiaries. The fund was felt to be positive for smaller organisations, but that they should not be encouraged to apply for a large amount of grant, for example £40k, where their income is less than that, as this could potentially place a burden on the organisation.
Age	There were no particular issues raised around positive or negative impacts for the targeted support fund specifically relating to age.

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.

Modernisation Fund

The proposal may be of more interest to some groups than others. LGBT groups and faith groups may not be as interested in applying for funding for collaboration or merger as other groups. However, OTS can work with Strategic Partners to ensure that they are aware of the fund and can apply if it is appropriate for them.

Due to the turnover threshold of the grants element of the fund, there may be some smaller equalities organisations that are excluded from applying. The Targeted Support Fund or Grassroots Grants funds may be more suitable for these very small organisations. The proposal does have potential to benefit organisations working with a wide range of beneficiaries.

Targeted Support Fund

As the organisations applying for funding from the targeted support fund will be organisations with a turnover of between £30k and £250k, the fund has a potential for positive impact on equalities groups, as for example, BME organisations may be small in size, and so would be eligible to apply. There is also potential for groups where there is more likely to be unemployment including BME groups, women, older people and disabled people to access recession focused services that will be provided under this fund. There is a potential negative impact in terms of type of organisation in that only registered charities can apply for the Targeted Support Fund.

The Targeted Support Fund is focused on 50 areas, chosen as those 'most at risk of increased deprivation' in England. Identification of these areas was achieved by cross referencing existing data from the Indices of Multiple Deprivation (IMD) with the percentage increase in the number of Jobseekers Allowance claimants in the area from January 2008-2009.

The allocations of funding within these areas are based on the populations of each area and the increased number of new JSA claimants from January 2008-2009. The Fund should therefore be accessible to equalities groups most affected by deprivation and rising unemployment, but will not be accessible in other areas.

What were the main findings of the engagement exercise and what weight should they carry?

The need to see race as a cross-cutting issue was raised by one stakeholder. BME communities face multiple disadvantages e.g. BME women are doubly disadvantaged. The legal review of the BME Compact code cites that in the UK, Pakistani and Bangladeshi women are at very high risk of disadvantage in

the work place, experiencing a more significant pay gap than other women and higher levels of unemployment.

Whilst race was particularly mentioned as a cross-cutting theme, multiple disadvantage can apply to the other equalities groups.

Modernisation Fund

The main findings have been that steps will have to be taken to ensure that organisations working with disadvantaged communities are aware of the fund, are able to apply and that the criteria for accessing the fund are relevant to those organisations. This should be considered both in terms of the marketing for the fund and also in the application and selection process. The fund may not be as attractive to groups working with the LGBT community and faith groups as there is not so much scope for merger or collaboration within these organisations. Other equalities organisations may find benefit in these.

Targeted Support Fund

In order to ensure that the fund is accessible to the widest possible numbers of applicants, there will need to be action taken in the marketing and application process. OTS will ensure that all funds available under the action plan are publicised effectively through their strategic partners, who have a wide reach across the third sector. The application process and monitoring requirements must be clear and proportionate to the money applied for.

Further to this, the allocation of grants by the local funders' panels should be done with a clear focus on the demographics of that area, looking not only at the demographics of the top tier local authority area, but at inequalities and demographics within the area, and with a clear understanding of the disproportionate effect of the recession on equalities groups.

The size of grant given to small organisations should also reflect their capacity and present income, allowing them to effectively manage the money.

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?

Modernisation fund

There has been no suggestion that the fund will be unlawful or cause direct or indirect discrimination.

Targeted Support Fund

There is no indication that this fund will be unlawful or cause direct or indirect discrimination

How does the policy promote equality of opportunity?

Modernisation Fund

The fund aims to help organisations become more resilient to the negative effects of the recession and to help them to continue to provide services to people and communities. This will include beneficiaries from disadvantaged groups. The Modernisation Fund website makes clear that it will be delivered in line with the Action Plan principle of helping achieve equality, economic growth and social mobility.

Additional steps will be taken to promote the fund to organisations working with disadvantaged communities. Clear messages will be given to local delivery partners about the importance of engaging with equalities groups.

Targeted Support Fund

The Targeted Support Fund will promote equality of opportunity by offering grants which will be allocated at a local top tier local authority area. As well as a 'Local Funder' (the grant delivery bodies) on the decision making panel, a member of each LSP (local strategic partnership) will be invited to sit on the panel, ensuring a strong focus on local third sector need, and on transparency in decision-making processes.

The Targeted Support Fund will be focused in those 50 areas most at risk of increased deprivation during the recession, and will allow increased access to frontline services to people most in need. All the 'Local Funders' have active equal opportunities policies and will promote this through the implementation of the fund.

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 Third Sector Action Plan funds will support the third sector to offer more locally-based services and help to communities and individuals in the short term and the longer term. Enabling a stronger third sector leads to stronger communities and more participation, particularly among people that may not engage with other services or statutory agencies.

The third sector service delivery organisations that will benefit from the Modernisation Fund and Targeted Support Fund are often working with those that face multiple barriers to mainstream services or employment.

Modernisation Fund

The fund will help organisations that need to collaborate, merge or restructure in order to become resilient to the recession. This will include helping organisations to work together and build bridges. The criteria for organisations to be eligible to apply include working in areas of particular interest to equalities groups, including promoting social cohesion.

Targeted Support Fund

The Targeted Support Fund will be open to application from single organisations, or from partnerships between different organisations where they can come together to offer specific and unique services to their communities. The types of services being offered through the fund will allow individuals to gain support that will help them to be less excluded in society and from accessing other mainstream services in the future.

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

Modernisation Fund

Additional steps will be taken to promote the fund to organisations working with disadvantaged communities.

The following disability issues are being considered in the design of the application process. That users may:

- not be able to see, hear, move, or may not be able to process some types of information or text easily
- not have or be able to use a keyboard or mouse
- have a text-only screen, a small screen, or a slow internet connection
- have an early version of a browser, a different browser entirely, a voice browser, or a different operating system

Capacitybuilders will consider how to support an organisation or individual that is facing specific barriers to completing the on-line application form and making the application available in different formats and languages upon request.

The selection process for the fund will be designed to be relevant to the needs and issues faced by applicants that are working with disadvantaged groups. Capacitybuilders is specifically taking account of equalities issues in designing the awards process and criteria. The spread of applications and awards will be monitored and analysed across a range of factors (for example: geographical area; urban/ rural dimension; range of services delivered; organisations which target BME, disability, gender; and/or LGBT communities) and proactive promotion used to address areas of concern.

Delivery agents can be reminded of the public sector duties (and the expected widening of these across all equalities strands). Naming specific groups that should be targeted is suggested to ensure a consistent approach, and help address any lack of understanding of the specific barriers and issues faced by women, BME, disabled people, faith groups and LGBT communities.

Local seminars will help potential local applicants to understand the fund; and are intended to reach organisations who are delivering recession related services. Local delivery agents running the seminars will be particularly asked to ensure that equalities groups will be aware of them.

Targeted Support Fund

The local funders' panel will be provided with local demographic statistics by OTS, to enable them to have a clear picture of the population and the likely impact of the recession on their area. However, the local funders panel also needs to be aware that there are not statistics for all equalities groups, for example LGBT groups in a particular area, and so their own knowledge needs to ensure equal access and to maximise the impact of the Targeted Support Fund where it is needed most. There has been concern raised around interpretation of the new 'gender equality duty' which has in some cases, resulted in funding for women's organisations being revoked or reduced. There will be a need to show that this funding will open to all organisations, including single issue groups.

The fund will be open to all third sector organisations, rather than just registered charities to reflect the full spectrum of third sector organisations that are offering recession-focused services to their client groups during the recession.

OTS will ensure that all strategic partners and other government departments are aware of the action plan funding, to ensure maximum reach across the third sector. Evaluation of the programme will target equalities groups looking at their experience of the fund in depth.

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

Different equalities groups called for ring-fenced funding and targets for their particular communities. The quantitative data around relative impacts of recession on different equalities groups is not robust enough to enable fair delineation of funding between groups. The recent National Survey of Third Sector Organisations found that third sector organisations that identified equalities or civil rights as a main area of work are more likely than respondents identifying any other main work area to be accessing support from local third sector organisations. Both the Modernisation Fund grant element and the Targeted Support Fund will be accessed through local third sector organisations; a delivery model that the National Survey suggests should help ensure equalities groups access the funds. However, all delivery partners are strongly reminded of the principle behind the funds, to help achieve equality, and to be pro-active in delivering this.

Targeted Support Fund

Some organisations proposed the setting of targets for funding to ensure that different equalities groups were represented proportionately and not indirectly

excluded from the fund. The fund's primary aim is to provide support services to 50 targeted areas through small organisations, and it is felt that the local funders' panel system will input sufficient local knowledge and desire to achieve equity across different equalities groups being offered grants in their area.

ENSURING ACCESS TO INFORMATION

How can you ensure that information used for this EIA is readily available in the future?

The EIA will be published on the OTS website. The NSTSO is available on <http://www.nstso.com>

How will you ensure your stakeholders continue to be involved/ engaged in shaping the development/ delivery of this policy?

Modernisation Fund

There will be ongoing work to ensure that the fund is accessible to organisations working with equalities groups and follow-up discussions will be arranged where appropriate. We will encourage stakeholders to be involved in promoting and feeding back their comments regarding the fund.

Targeted Support Fund

We will continue working with stakeholders through follow up meetings and encourage a two way dialogue between OTS and others to ensure that the Targeted Support Fund is reaching those most at risk during 2009-10.

The progress of the third sector action plan will be reported to OTS strategic partners.

How will you monitor this policy to ensure that the policy delivers the equality commitments required?

Modernisation Fund

As part of the application process, organisations will identify whether their main beneficiaries are from particular equalities groups. Monitoring arrangements will be discussed with the delivery partners of the scheme to ensure that adequate monitoring is in place to show the impacts on equalities groups, and the accessibility of the fund to them.

Targeted Support Fund

As part of the application process, organisations will offer a description of the services they will be delivering and their service delivery area, and highlight the increased demand they have experienced as a result of the recession.

This information will be used by the evaluators of the programme to offer a qualitative examination of the experiences of organisations working with different equalities groups that have received a grant under the Targeted Support Fund.

OTS will use the above information to assess the impact of the funds on both the third sector as a whole and different equalities groups as part of that.

Following this assessment, action will be taken to ensure that if there are measures that can be taken to improve equalities commitments, they will be taken.

Director approval:
Campbell Robb

Date:
18 May 2009