

Consultation on the future role and scope of the London Boroughs Grants Scheme

November 2010

Overarching views on the proposal for changes to the grants scheme

Our preferred option in relation to the proposed timescales for change is: “All current funding continues for the remainder of the term of the funding agreement, under London Councils administration”. We oppose the other three proposals.

In the current climate there is need to look for better value for money. However, quickly and considerably cutting funds targeting the needs of London’s most vulnerable communities is not the best way to do this. We appreciate there is some duplication of services that could be removed to enhance value for money. We also acknowledge that while most services are of high quality, there may be room for improvement in the quality and efficiency of a small number of services. As such, we believe it would be more appropriate for the current review to focus on the question of what types of approaches to commissioning would remove any duplication and improve services where necessary, thereby enhancing the value for money provided by LBGS (London Boroughs Grants Scheme). We recommend that London Councils undertake a fuller piece of work during the remainder of the funding period to identify the most effective approach to the commissioning of regional services that ensures value for money and long-term social and economic impact, to inform the next commissioning round. Central to this should be a full consideration of the implications of any cuts to this fund for disadvantaged people from BAME and other equality groups.

We are opposed to any sudden cuts to any services for the following reasons:

a. The lack of an adequate equalities impact assessment

There has not been an adequate equalities impact assessment (EIA). This omission contravenes: the emphasis that London Councils (LC) has placed on training for funded organisations around equalities and on the collection of equalities monitoring data; and LC’s legal obligations under the Equality Act 2010. LC funding and its emphasis on specialist services for some of the most vulnerable people in London goes some way to helping councils meet their obligations under the Equality Act 2010. If money is removed from LBGS, resulting in reduced services for individuals covered by the Equality Act, the obligation to provide services for these groups will fall squarely on individual boroughs. The poor record of boroughs funding specialist services locally and thus failing to meet their equalities obligations means that LC’s funding is a cost-effective and practical way of going some way to meet these obligations.

b. Irreversible damage to the VCS

We are concerned that a reduction or repatriation of the fund before the contracted deadlines will result in irreversible damage to the voluntary and community sector (VCS) and the loss of considerable expertise that has been developed over years. The damage would be considerable because London Councils is one of London's most significant funders and because it provides matched funding and security which encourages investment by other funders.

A sudden cut could leave commissioned organisations, for many of whom London Councils serves as a significant funder, in an extended vulnerable financial position. Considered as a risky investment by new funders, organisations would face significant barriers to generating new funds. Additionally, many funders will not replace funding from statutory sources. This would make it extremely difficult for commissioned organisations to fundraise for the services London Councils currently commissions from them.

A recent survey by VSF of commissioned organisations provides evidence of this. One of its key findings was that 33% of organisations would have to consider closing if funding from London Councils was discontinued in March 2011¹.

c. The disproportionate impact on BAME Londoners

LBGS has had significant impact on the lives of countless Londoners who have faced inequality and discrimination over the years. Unfortunately, many Londoners, and in particular those from BAME communities, continue to face inequality and discrimination in many key areas of life, including health, community safety and relations, the environment, employment and education².

We believe cuts would disproportionately impact on BAME communities and their organisations. A survey of monitoring returns would reveal that, in comparison to other funders, London Councils is not only one of the most significant funders of London's VCS, but proportionately one of the most significant funders of both the BAME VCS and services with high representation of BAME people among their users. While we do not feel it is our role to produce hard evidence of this, as partners with London Councils in the delivery of equalities training to all its commissioned projects in 2009, we are confident this would be revealed through an adequate EIA of any potential cuts.

A disproportionate impact on the BAME VCS is problematic in and of itself. The general picture presented by existing regional and national research is that the already fragile BAME VCS is suffering from a substantial lack of capacity due to severe underinvestment and access to adequate infrastructure support. Many organisations struggle to grow and develop and even to sustain their operations. They operate in an increasingly challenging environment. They are being disproportionately impacted on by the recession. In addition, the BAME sector has its own specific challenges, particularly³:

- Government's cohesion policies, which have undermined BAME organisations

¹ Survey results as of 10 November 2011. Contact VSF to find out more.

² See our response to London Councils first consultation on LBGS for evidence. It is available at <http://www.rota.org.uk/downloads/London%20Councils%20Commissioning%20Priorities%20F.pdf>

³ 'MiNet (2009) *The Economic Downturn and the Black, Asian and minority ethnic (BAME) third sector*. London: ROTA.' and 'NEP (2008) *Supporting Equality Groups: An overview of support to the diverse third sector in England*. Women's Resource Centre.'

- Discontinued support from Capacitybuilders for regional BAME networks, which are vital if the BAME VCS is to have any influence in regional and local policy development
- The continued and persistent inequalities faced by BAME people and cuts to central government grants aimed specifically at addressing it
- The exclusion of many BAME organisations from commissioning processes as well as funds currently being developed by central government where only organisations with incomes beyond the median income of BAME organisations are eligible to apply

The plight of London's Race Equality Councils illustrate the fragile position the BAME sector is in; over the last two years eight have closed, leaving only 12 still in operation. Similarly, the findings of reports by Imkaan and the Women's Resource Centre provide evidence of the decimation of the BAME women's sector⁴.

London Councils funding provides an essential opportunity to address some of these challenges and to safeguard services for the most vulnerable BAME and other equality communities.

d. Wider impact

A cut would also have an impact on local authorities' key partners. Currently funded projects add value to the work of all local statutory agencies by responding to the needs of those who 'fall through the net' and do not take up mainstream public services. Examples were given throughout our response to the first consultation on LGBS this year, which highlighted how BAME organisations do this and we will not repeat them here.

BAME policy and voice organisations further complement this role in many ways. For example, ROTA's high quality policy responses, which influence regional policy development (see examples in our response to the first consultation), in turn informs the work of local statutory agencies which are supported in making their services more accessible and responsive to the needs of London's BAME communities. Additionally, ROTA engages supportively with a range of regional statutory bodies that have influence over local statutory agencies through representation on their advisory bodies or by bringing them together through forums.

For example, members of the Transformative Justice Forum, which is hosted by ROTA and funded by London Councils, include representatives of the Crown Prosecution Service, the Metropolitan Police Association, the Association of Chief Police Officers, London Probation, Government Office for London and the Home Office. This Forum provides members with support on responses to hate crime in London, in particular through the use of restorative and transformative justice techniques.

e. All services should be placed in category A

There are many needs experienced by minority groups, including certain BAME communities, that mainstream statutory services are often unaware of or do not have the expertise to meet. Such needs arise in relation to all areas of local statutory responsibility and there is a need for specialist services to be engaged if they are to be effectively met. It almost always makes economic sense for such services to be delivered in areas larger than local areas. For these reasons we recommend that all services should be placed in category A. In order to add value to local services and ensure

⁴ Imkaan (2008) *A Matter of Life and Death: the loss of specialist services for BAME women and children experiencing violence*; Women's Resource Centre (2009) *Not just bread, but roses, too: Funding to the women's voluntary and community sector in England 2004 - 2007*.

long-term social and economic impact, all services should be tightly focused on groups that typically face inequality and discrimination in accessing public services. Rather than repeat arguments and evidence to support this response here, please see our response to the first consultation on the LBGS⁵. Our first response provides considerable commentary on the importance of LBGS as a mechanism to address race inequality in London and considers each service in turn. It should be read in conjunction with this current response.

Final comments

a. Policy and voice

Policy and voice needs to remain regional. It is the most appropriate level for engagement and influencing to take place to be effective and where structures exist to be influenced. For example, across the north sub-region of London there are no significant public sector structures which policy work can engage with and influence. This is mirrored elsewhere in London. It means a policy function at a sub-regional level becomes redundant. The gap between local/sub-regional and national is also too large to breach. Hence regional policy is appropriately placed to engage and influence local, regional and national debates, bringing about greater financial efficiency than policy work at any other level. Additionally, if policy work is not carried out regionally, the evidence gathered to inform policy work may suffer due to the smaller scope of geographical coverage.

As evidenced in our response to the first consultation on LBGS this year⁶ there is a need for policy and voice work to remain specialist and a priority for funding at a regional level. For the causes and consequences of each racial inequality to be accurately understood and conveyed, policy work needs to be targeted and free from tokenistic statements that lack detail. Therefore any evidence base needs to be substantive.

When BAMER policy work has been funded generically it often results in a downsizing of specific detail on BAMER issues which prevents the development of effective solutions. The need for adequate engagement and 'buy-in' from the communities being represented cannot be underestimated. Many generic organisations will struggle to achieve similar results.

The case-studies about our policy work presented in our first consultation on LBGS this year demonstrates the benefits and cost savings for local authorities when this service is commissioned regionally and we will not repeat those arguments again here, due to limited space.

b. Recommendations

In summary, we recommend that:

1. LC undertake a proper and thoughtful review of the best way to commission good quality and value for money services with long-term social and economic impacts at a regional level in London. In doing this, LC must acknowledge that BAME and other equality organisations will not usually provide the cheapest services, but they do provide a unique

⁵ Available at available at

<http://www.rota.org.uk/downloads/London%20Councils%20Commissioning%20Priorities%20F.pdf/>.

⁶ (see page 20 at <http://www.rota.org.uk/downloads/London%20Councils%20Commissioning%20Priorities%20F.pdf>)

value in working with and having a long-term impact on some of the most vulnerable communities that large or mainstream organisations would find difficult to achieve. This unique value must be recognised by LCs in efforts to contend with the current financial climate and its impact on public services. The consultation period is only nine weeks long. This is in breach of the Compact and places a considerable burden on VCS organisations.

2. LC honour current funding arrangements and agree to a transitional funding period that lasts at least until the natural end of current commissions.
3. LC carry out a well informed, transparent and fair decision making process
4. LC carry out Equality Impact Assessments on changes to the London Boroughs Grants Scheme (LBGS) to ensure that the most marginalised and disadvantaged Londoners and those that experience prejudice and discrimination do not disproportionately carry the burden of the proposed cuts.

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