



Cohesion Guidance for Funders Consultation

Impact Assessment



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May 2008

Communities and Local Government: London

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Summary: Intervention & Options

Department/Agency:

Communities and Local Government

Title:

Impact Assessment of Cohesion Guidance for Funders Consultation

Stage: Consultation

Version: 1

Date: 8 April 2008

Related Publications: Cohesion Guidance for Funders Consultation paper, Communities and Local Government, Feb 2008.

Available to view or download at:

<http://www.>

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What is the problem under consideration? Why is government intervention necessary?

The issue has been raised in the report of the Commission on Integration and Cohesion which reported in the summer of 2007. They identified that there were risks to cohesion attendant on providing funding for particular groups, in particular that it could lead to increased insularity or fail to respond to changes in who vulnerable groups were, whereas where people have relationships with people from different backgrounds, levels of cohesion are higher.

What are the policy objectives and the intended effects?

The proposed approach to Cohesion Guidance for Funders has the objective of identifying ways that funders supporting community level activities, in particular local authorities and their wider partners, can find an appropriate balance between activities which allow for building relationships and links between people and activities which support particular groups alone. The objective of the consultation itself is to enable interested stakeholders to feed in to the development of guidance to ensure that any final guidance draws on the experience of stakeholders.

What policy options have been considered? Please justify any preferred option.

The option of issuing guidance on this issue is the Government’s preferred option, as this follows the recommendation of the Commission on Integration and Cohesion that guidance be issued, without directly adopting the Commission’s own recommendation on this issue, as the Secretary of State identified in the initial response to the Commission’s report that the terminology the Commission’s recommendation had adopted could be misleading and that there was a balance to be struck on this issue.

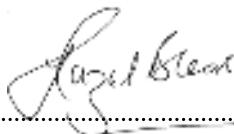
When will the policy be reviewed to establish the actual costs and benefits and the achievement of the desired effects?

We are currently planning work to research this issue to take place within the next two years.

Ministerial Sign-off For Impact Assessments:

I have read the Impact Assessment and I am satisfied that, given the available evidence, it represents a reasonable view of the likely costs, benefits and impact of the leading options.

Signed by the responsible Minister:



Date: 5 May 2008

Summary: Analysis & Evidence

Policy Option:

Description: Guidance from Central Government for Cohesion Guidance for Funders

COSTS	ANNUAL COSTS		Description and scale of key monetised costs by 'main affected groups'
	One-off (Transition)	Yrs	
	£		
	Average Annual Cost (excluding one-off)		
£		Total Cost (PV)	£ Not available
<p>Other key non-monetised costs by 'main affected groups' The proposals should not lead to significant costs. Overall the approach outlined in the consultation paper does not recommend any change to the level of funding for community activities; and it leaves it open to organisations to identify how integration activity could take place.</p>			

BENEFITS	ANNUAL BENEFITS		Description and scale of key monetised benefits by 'main affected groups'
	One-off	Yrs	
	£		
	Average Annual Benefit (excluding one-off)		
£		Total Benefit (PV)	£
<p>Other key non-monetised benefits by 'main affected groups' Benefits to whole communities may be in the form of increased interaction, and as a result higher cohesion and lower levels of community tensions, and community projects which avoid risks identified by the Commission on Integration and Cohesion around increasing insularity.</p>			

Key Assumptions/Sensitivities/Risks

Price Base Year	Time Period Years	Net Benefit Range (NPV) £	NET BENEFIT (NPV Best estimate) £
What is the geographic coverage of the policy/option?			England only
On what date will the policy be implemented?			tbc
Which organisation(s) will enforce the policy?			N/A (guidance only)
What is the total annual cost of enforcement for these organisations?			£ 0
Does enforcement comply with Hampton principles?			Yes/No
Will implementation go beyond minimum EU requirements?			Yes/No
What is the value of the proposed offsetting measure per year?			£ N/A
What is the value of changes in greenhouse gas emissions?			£ N/A
Will the proposal have a significant impact on competition?			No

Annual cost (£-£) per organisation (excluding one-off)	Micro	Small	Medium	Large
Are any of these organisations exempt?	Yes/No	Yes/No	N/A	N/A

Impact on Admin Burdens Baseline (2005 Prices)		(Increase – Decrease)	
Increase of £	Decrease of £	Net Impact	£

Key: Annual costs and benefits: Constant Prices	(Net) Present Value
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Evidence Base (for summary sheets)

The policy issues which this consultation is designed to address

The policy opportunity which this consultation addresses comes from the detailed analysis of the findings of the 2005 Citizenship Survey by Laurence and Heath, published Feb 2008. This identified that having friends from ethnic groups other than one's own is a strong positive predictor of cohesion. Therefore, the consultation proposed that funders should look for opportunities to support work which included opportunities for building relationships with people from different backgrounds. This research is available at and the full report at:

www.communities.gov.uk/publications/communities/predictorscohesion

The policy problem which the consultation addresses was identified in the report of the Commission on Integration, Our Shared Future, which identified a range of risks to cohesion attendant on the funding of activities for particular groups in society. These, as identified by the commission, included:

- its potential to increase insularity and a sense of separation where the project funded is only or mainly for the group in question
- a sense in which the benefits of shared activities (tackling prejudice, building common purpose) were missed by members or service users of Single Group organisations.
- a sense in which Single Group Funding was a hangover from old identity politics – with groups encouraged to shout loudly about their own individual needs, rather than being encouraged to come together to access funding for shared activities enabling bridging and interaction.

The Commission's report available in full at:

www.integrationandcohesion.org.uk/Our_final_report.aspx

Benefits

the benefits of the policy should be that funders of community level activities understand better how they can use their funding role to promote cohesion and that as a result, the total set of community projects supported overall offers better opportunities for people from different backgrounds to build relationships with one another, and so has a positive impact on cohesion. The risks identified above should be avoided.

Costs

In the early stages of policy development stakeholders have raised concerns about the proposals set out in the consultation paper. These included particularly that this approach failed to recognise the value of work with particular groups within society and risked cutting organisations working with particular groups off from being able to access funding; or placing a burden on organisations as they sought to meet this criteria in making funding proposals to funders.

However, the paper:

- recognises the importance of work with particular groups and states that such work should continue wherever it is needed
- makes it clear that the issue here is what work is supported, not which organisations are delivering it
- leaves it open about how projects can deliver opportunities for integration/relationship building, so that organisations supporting different groups might choose, for example, to work in partnership with each other to allow links to be made. It does not stipulate particular detailed approaches which organisations would have to take but instead leaves it open for local funders to work with them to develop a shared understanding of how plans for integration activity can be set out, which is proportionate and accessible to organisations
- Recognises that changes may need to take place over a period of time – so that organisations which have developed extensive funding relationships with particular funders need not as a result of these proposals be faced with a requirement to make immediate changes or the prospect of immediate loss of support, which they did not have the capacity to adjust to.

None of the proposals in the paper involve regulation of any kind. For this reason, the proposals in the paper should not entail the sorts of costs outlined above. None of the proposals would require organisations to refrain from campaigning.

There may be very small resource burdens for funders in terms of factoring in this consideration into funding decisions but the paper does not require that this be done in particular ways.

Review

We are currently planning work to research this issue to take place within the next two years. This is likely to be of the form of qualitative work with funders and funded organisations to assess the value and impact of the guidance, as part of wider work assessing cohesion guidance produced by Communities and Local Government.

Plan for full equalities impact assessment

This consultation on cohesion guidance for funders covers both mainstream funding and funding aimed at particular groups within society. These groups may include, but will not be limited to, particular ethnic or racial groups.

It is our intention that this guidance will not be detrimental to the important work done to address disadvantage and inequalities in particular communities, as set out above. The issues raised could have an impact on different local communities and could contribute to equality and cohesion outcomes and are in line with the duty to promote good relations between people of different ethnic groups set out in the Race Relations (Amendment) Act. In preparing this consultation document, we have worked with stakeholders including funders such as local authorities and third sector bodies delivering work supported by them. A number of stakeholders have raised concerns about the Commission on Integration and Cohesion's original recommendations on this issue, and about how funders may apply any guidance in this area.

We therefore propose to complete a full equalities and cohesion impact assessment on the impact of guidance, drawing on the responses to this consultation, to be published with final guidance in the summer. Responses to this consultation will help inform that assessment.

Excerpted from consultation paper – available at:

www.communities.gov.uk/publications/communities/cohesionfundersconsultation

Additional points in relation to this policy

1. Policy lead. Communities and Local Government is the lead department for policy on community cohesion.
2. PSA target. PSA21 is the target central government has for delivering cohesive, active and empowered communities, and measures (amongst other things) the degree to which people get on with others from different backgrounds in the local neighbourhood; the degree to which people interact with others from different backgrounds and the degree to which people feel they belong to the local neighbourhood. Whilst it includes as success measures achievement of the 'getting on well' and 'local belonging' targets in the majority of areas where these targets have been incorporated as priorities in Local Area Agreements, PSA21 is itself not a success measure for local funders but for central Government.
3. Local Area Agreements. Local Area Agreements incorporate up to 35 targets identified between the local authority and central Governments as priorities for the local authority area, and any further targets included as 'local targets' (not included in the set of up to 35 priorities against which success as a whole is judged but included as part of the LAA). Targets are chosen from the 'National Indicator Set' of 198 indicators published by Central Government. On cohesion, a local authority may choose to include NI1 – the percentage of people who believe

people from different backgrounds get on well in their local area and NI2 – the percentage of people who feel that they belong to their neighbourhood and where they choose to adopt either or both of these, they will be amongst the measures of success for that local authority. Currently the negotiations on LAAs are still in progress.

4. Procurement and contestability. The proposed way forward outlined in the consultation paper should not run counter to the concept of contestability, in that the consultation is both a) open to the continued use of funding for work for particular groups where there is need for it (s.18 bullet 1, p.15) and clear that there are many such examples (s.15, p.10) and b) open as to the means by which benefits to cohesion may be achieved (s.18 bullet 5, p.18) which should not mean that organisations are excluded and contestability is maintained. This is an issue we would look to cover in greater detail in any final guidance, subject to the completion of the consultation and responses received.
5. Extent. We propose in the consultation document that this guidance cover the funding of community level projects/services, whether from specific cohesion funding or from separate funding streams. This would mean that the considerations it contains would apply to private sector providers as well as third sector ones.
6. Organisational objectives. The consultation paper is not proposing that organisations (again, whether third sector or private) must have an organisational cohesion policy or objective as a pre qualification criteria. Again, the openness of the consultation as to the means by which funded organisations could contribute to cohesion (see point 4 above).
7. Equalities legislation. Nothing in this consultation should prejudice the continued delivery of the requirements of equalities legislation including the Race Relations (Amendment) Act and other equalities legislation.

Specific Impact Tests: Checklist

Use the table below to demonstrate how broadly you have considered the potential impacts of your policy options.

Ensure that the results of any tests that impact on the cost-benefit analysis are contained within the main evidence base; other results may be annexed.

Type of testing undertaken	<i>Results in Evidence Base?</i>	<i>Results annexed?</i>
Competition Assessment	No	No
Small Firms Impact Test	No	No
Legal Aid	No	No
Sustainable Development	No	No
Carbon Assessment	No	No
Other Environment	No	No
Health Impact Assessment	No	No
Race Equality	Yes	No
Disability Equality	Yes	No
Gender Equality	Yes	No
Human Rights	No	No
Rural Proofing	No	No

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