

Committee/Meeting: Corporate Grants Programme Board	Date: 30 th November 2012	Classification: Mayoral Executive Decision	Report No:
Report of: Corporate Director (Development and Renewal) Originating Officers Chris Holme (Service Head Resources D&R) Kate Bingham (Service Head Resources CSF), Heather Bonfield (Service Head Culture, Learning & Leisure), Deborah Cohen (Service Head Commissioning & Strategy)		Title: Mainstream Grants Programme 2012-15 Wards Affected: All	

Lead Member	Cllr Alibor Choudhury Cabinet Member for Resources
Community Plan Themes	A Prosperous Community/ A Safe and Cohesive Community/A Healthy and Supportive Community
Strategic Priorities	Supporting people into work and improving employment skills/ Supporting residents through the national welfare reform/ Fostering Enterprise and entrepreneurship/Reducing crime and anti-social behaviour/ Fostering greater community cohesion/ Helping people to live healthier lives/ Improving Educational Aspiration and Attainment

1. **SUMMARY**

- 1.1 The Council agreed a new process and governance arrangements for the administration of Mainstream Grants in March 2012, whereby the decisions for all awards over £1,000 were to be made by the Mayor under his executive authority. This report outlines the outcome of the assessment and subsequent review processes and recommends that awards be made for 2 years and 3 months commencing 1st January 2013, subject to subject to the Council's annual agreement on budget settlements satisfactory performance and the organisations entering into a grant agreement.
- 1.2 In October the Mayor considered a report from the Corporate Grants Programme Board setting out proposed allocations. Although minded to accept the recommendations, it was determined to await the outcome of a review process. This report sets out consideration of those reviews, and highlights the financial impacts of the level of awards now recommended.

2. **DECISIONS REQUIRED**

The Mayor is recommended to:-

- 2.1 Confirm the funding awards for those main stream grant services set out in Appendix 1.
- 2.2 Agree funding on the basis of a 2-year 3-month Grant Agreement from January 2013 through to March 2015 as set out in paragraph 6.3 subject to the Council's annual agreement on budget settlements and the delivery of agreed outputs and outcomes.
- 2.3 Agree to the earmarking from general reserves of £695,000, over the 27 months from January 2013 to March 2015 to finance the additional recommended grant awards over indicative Directorate budgets for the grant agreement periods.
- 2.4 Confirm that unallocated Dedicated Schools Grant is earmarked for education specific projects, including increasing capacity for early years services, delivered primarily through the voluntary and community sector as set out in paragraph 6.11.
- 2.5 That officers keep under review caseloads associated with the provision of social welfare advice and report back to the Mayor, within 6 months, where appropriate considering the range and effectiveness of different channels and delivery methods used to reach those most in need of advice services, and addressing any identified gaps that may arise in service provision.
- 2.6 Authorise the Assistant Chief Executive (Legal Services) in consultation with the appropriate Chief Officer for the funding stream to settle the final terms of and enter into the grant agreements resulting from paragraphs 2.1.and 2.2 above
- 2.7 Note that a comprehensive Equalities Analysis has been completed demonstrating the due regard taken to the engagement of the public sector equality duty and the equalities impact of the recommendations as set out at Appendix 2.

3. **REASONS FOR THE DECISIONS**

- 3.1 The decisions are required in order that the Council is able to meet its commitment for the 2012/15 programme of commissioning services through voluntary and community sector providers; properly conclude its current agreements with existing service providers; contract with new providers; and, advise all projects/organisations of the outcome of their application to comply with both the Tower Hamlets Compact and our Public Sector Equalities Duties.

4. ALTERNATIVE OPTIONS

- 4.1 Alternative options comprise extending further the commissioning contracts across all commissioning themes for a further period, or allowing current grant arrangements to end with a view to establishing further agreements at a future date. However this could have a serious detrimental impact on many vulnerable residents accessing important support services delivered through the voluntary and community sector.

5. BACKGROUND

- 5.1 The Council is committed to supporting the work of local voluntary and community organisations who deliver tangible benefits for local people. Services delivered by the third sector play a crucial role in a number of community plan priority areas.
- 5.2 The Mainstream Grant programme currently funds in excess of 130 organisations (some contracts however include other organisations within their delivery partnership) delivering over 220 individual projects of varying size and complexity.
- 5.3 In March 2012 the Mayor in Cabinet agreed a revised process and governance arrangements for the determination of the 2012-15 MSG commissioning cycle and extended the provision of existing services to the end of September whilst the new arrangements were implemented. Key changes included;
- the provision of specific financial support to the Tower Hamlets CVS to provide cross-sector development and support for the next 3 years
 - clarification and strengthening of grant eligibility criteria
 - changes to the decision making process – with the introduction of a Corporate Grants Programme Board, an advisory body to better reflect Council constitutional arrangements.
 - Determination of all awards over £1,000 to be made by the Mayor in his executive capacity.
- 5.4 At the 5th September Cabinet meeting an extension to currently funded projects for three months to 31st December 2012 was agreed. On 3rd October the Mayor, in Cabinet, considered a report of the Corporate Grants Programme Board which recommended awards to third sector organisations across the different Directorate funding streams. The Mayor determined to notify all groups who applied for Mainstream Grants that whilst he was minded to accept the recommendations from the Board, that would be subject to consideration of a review from any organisations dissatisfied with the level of award recommended.

6. BODY OF REPORT

- 6.1 Arrangements for the 2012/15 commissioning of Mainstream Grants have been underway since April, following the decision of the Mayor at the 14th March Cabinet to change governance arrangements whereby all awards over £1,000 are a decision of the Mayor in his executive capacity, after consideration by members of the Corporate Grants Programme Board, chaired by the Mayor's Advisor to the Third Sector.
- 6.2 The call for applications was launched at the end of March, via the posting of information on the Council's Website, an advertisement in east End Life and circulation of information through our Third Sector database. Organisations were able to access on-line information and application forms. Officers consulted with the sector, delivering a number of workshops, open to all, but mainly aimed at smaller organisations. As outlined in the report to Cabinet of 14th March 2012 consultation workshops took place throughout the Summer of 2011 and outlined the proposed new process, , as well as providing detailed information on the proposed service specifications and the assessment process. The process provided the opportunity for the Council to clarify proposed programme revisions whilst enabling officers to receive suggestions from the Sector. The outcome of the consultation included some changes to service specifications.
- 6.3 The commissioning process saw an unprecedented increase in the number of applications for MSG funding with over 430 separate applications received. This was over 100 applications more than we received in the previous commissioning round. This is likely to be the consequence of the ongoing economic environment including the loss of other sources of funding available to many third sector organisations.
- 6.4 Assessments were undertaken by officers for all applications that met the Council's agreed eligibility criteria. Initial assessments were moderated by Members of the Programme Board, to take account of local circumstances and alignment with mayoral priorities. It is also recommended that awards be granted, in principle, for 2 years and three months to the end of March 2015. That would be subject to the Council's annual budget process and the satisfactory delivery of outputs to be finalised as part of the contracting process.
- 6.5 The review process has required a detailed reassessment of over 180 projects and their equalities implications. The outcome of that process is set out as Appendix 1, and the Mayor, subject the outcome of this meeting will be recommended to confirm the awards. The Board is therefore asked to consider the proposed amendments and recommend final awards to the Mayor for his determination.
- 6.6 Final decisions need to be made within a reasonable timescale to ensure the Council remains compliant with the Tower Hamlets Compact, whereby 3 months written notice was provided to currently funded organisations; of likely changes in their levels of grant. Organisations were also notified of the review process immediately after Cabinet of the 3rd October

- 6.7 The decision making on MSG funding seeks to ensure that due regard is given to equality duties and to demonstrate that decisions on funding are made in a fair, transparent and accountable way, considering the needs and the rights of different communities. All MSG applications have to provide details in relation to the consideration they have given to equalities and diversity issues including age, disability, gender reassignment, pregnancy and maternity, race (ethnic or national origins, colour or nationality), religion or belief (includes lack of belief), and sexual orientation. A summary equalities impact assessment is set out as Appendix 2 for consideration.
- 6.8 The overall programme indicative budget is currently (2012/13) £3.3m. This figure takes into account the 6.6% budget top-slice, primarily to support the THCVS, as agreed by Cabinet at its meeting of 14 March, and the decision of Council to increase welfare advice provision by £24k. The current Directorate budgets are as follows;

Table 1

<i>Directorate</i>	<i>Current Annual Budget £000</i>	<i>27 Months Indicative Budget</i>	<i>Recommended Awards</i>	<i>Variance</i>
Adults Health & Wellbeing	328	738	907	169
Children Schools and Families	879*	1,978	1,894	(84)
Communities, Localities & Culture	734	1,652	2,071	419
Development & Renewal	1,387	3,121	3,169	48
Total	3,328	7,489	8,041	552

* The CSF programme includes £652k per annum of ring-fenced Dedicated Schools Grant funded awards for Early Years' Services.

- 6.9 In addition to the indicative budgets in table 1 above, over the period there is £145,000 of unallocated Corporate Match Funding which can be applied to the Community and Economic Engagement stream.
- 6.10 A summary of recommended awards is set out as Appendix 3. Taking into account the ring-fencing of DSG funded grants and the unallocated CMF budget 2012/14, the likely call on general reserves will be £714,000 over the 27 months January 2013 to March 2015.
- 6.11 The Council currently has a statutory duty to provide for free early years services to three and four year olds. That duty will extend to eligible two year olds from September 2013. Initial estimates suggest that significant additional provision will be needed. It is therefore recommended that a proportion of the grant be held back as a contingency to facilitate the outcome of effective planning and development of additional capacity to meet likely need. It is therefore recommended that £300k Dedicated Schools Grant funded provision is earmarked for this purpose.

- 6.12 In making its recommendations, the Board has been mindful of the likely impact of the welfare reform legislation as it is phased in over the next four years, and the support that will be needed for those residents affected during the transition. It is recommended that significant additional provision, for this 27 month period is directed towards economic engagement. That is further to Full Council's decision to provide for additional ESOL in February 2012. This is intended to support residents into work as a key element of partially mitigating the impact of welfare reform and reducing the demand on social welfare advice. Officers will also support the advice network in its bid for Big Lottery Advice Transition Fund.
- 6.13 However, going forward there is a need to work with the advice agency network and other key stakeholders to regularly review the volume and nature of demand for advice services, and ensure access to effective high quality advice services for residents. This will include looking at early intervention, prevention and support services, to enable resolution of people's problems before they reach crisis stage and looking at how advice projects can collaborate effectively to meet identified need and demand. The review will also consider the range and effectiveness of different channels and delivery methods used to reach those most in need of advice services. The outcome of the review and recommended approach for addressing any identified gaps in service provision to be reported back to the Mayor within 6 months.
- 6.14 As part of the contracting process officers will, where appropriate, assess the viability of seeking the delivery of complimentary activities, such as public health awareness and hosting of advice road shows to maximise the social benefit of each award, and incorporate as performance measures within the grant award.

7. COMMENTS OF THE CHIEF FINANCIAL OFFICER

- 7.1 This report seeks approval for the Mainstream Grants Programme, in principle for 2 years and 3 month to the end of March 2015.
- 7.2 Current indicative budget assumptions, as set out in the March 2012 report referred to above, and allowing for the changes therein are as set out in table 2 below. These do not incorporate the additional £954k for 2012/13 agreed by Cabinet in June 2012, nor do they incorporate the indicative annual allocation of £200k to the THCVS (equivalent to £450k over the period of the recommended grant agreements).

Table 2: Summary of Indicative Budget Allocations and Recommended Awards by Funding Stream

Directorate	Funding Stream	Budget Allocation	Indicative Total Alloc'n (27 months)	Total Rec'd Awards
		2012/13 £000	2013/15 £000	2013/15 £000
Adults Health & Wellbeing	Older People Lunch Club Services	328	738	907
Children Schools and Families	Children and Families Services	169	380	526
Children Schools and Families	Early Years Services (<i>Dedicated Schools Grant</i>)	652	1,467	1,160
Children Schools and Families	Study Support Services	58	131	208
Communities, Localities & Culture	Community Language Services	118	266	313
Communities, Localities & Culture	Youth and Connexions Services	226	509	667
Communities, Localities & Culture	Arts, Sports and Environment Services	309	695	935
Communities, Localities & Culture	Lifelong Learning Services	81	182	156
Development & Renewal	Community & Economic Engagement	280	630	1,235
Development & Renewal	Social Welfare Advice Services	883	1,987	1,720
Development & Renewal	Third Sector Infrastructure Support	224	504	214
Total		3,328	7,489	8,041

7.3 Excluding the Early Years' Service awards funded from the Dedicated Schools Grant, which are ring-fenced for educational purposes, the indicative General Fund budget allocation for the period of the recommended commissioning (i.e. 27 months to March 2015) is £6.02million. Table 2 above, recommended awards which in total are now £1.65million in excess of those recommended by the Board in October. Excluding the Early Years stream which is ring-fenced DSG, the recommended programme is now £6.88million,

£1.57million in excess of that recommended in October. Taking account of the unallocated CMF, this will require a transfer from general reserves of £714,000, over the period of the awards.

- 7.4 There will need to be some inter-Directorate budget transfers to effect the recommended programme.

Table 3: Differences between Recommended Awards and Indicative Budgets

Directorate	Total Variance £000	Annual Equivalent £000
Adults Health & Wellbeing	169	81
Children Schools and Families	223	100
Communities, Localities & Culture	419	186
Development & Renewal	48	21
Sub-total	859	388
<i>Financed by:</i>		
Unallocated CMF	(145)	(60)
General Fund Reserves	(714)	(328)

- 7.4 Subject to final award approval by the Mayor, appropriate budget transfers will be required between Directorates. Those transfers will be effected as part of the budget process.
- 7.5 As Members will be aware there is a need to ensure a robust and transparent process that takes full account of the Council's statutory duty with regard to the Equalities Act 2010. Failure to ensure adequate consideration is given to those impacts could render the Council open to legal challenge which in itself could delay the whole programme. In this regard it is noted there has been a process for organisations to seek a review of the decision.

8. CONCURRENT REPORT OF THE ASSISTANT CHIEF EXECUTIVE (LEGAL SERVICES)

- 8.1 The procedures involved in making decisions on grant funding are complex as is evidenced by the number of legal challenges to funding decisions by public bodies. Although overall the Council has not reduced the grants budget this report recommends changes in funding for several of the organisations who have applied.
- 8.2 When looking at a decision to cut or withdraw funding a number of steps have to be undertaken to ensure the decision is made in a robust manner and can withstand any legal challenge. Failure to do this can result in the whole of the process being stopped whilst the challenge is considered.
- 8.3 In devising the process for dealing with MSG applications consultation was undertaken with the third sector as has been detailed in the report at

paragraph 6.2. The process was then advertised and voluntary and community groups invited to apply for one or more of the funding streams. Criteria for the various streams were also advertised and the initial assessment was carried out by officers and then moderated by the Corporate Third Sector Grants Programme Board to take account of local circumstances and alignment with Mayoral priorities. The recommendations of that board are now contained in this report.

- 8.4 In making the initial assessments officers were mindful of the duties under the Equality Act 2010 and detailed Equality Impact Assessments were carried out looking at where persons with protected characteristics under the Equality Act 2010 will be affected by the decisions. A summary of these assessments is contained in the report at Appendix 2 and the detailed analyses are referenced as background papers and will be available for members to view at the meeting.
- 8.5 The general public sector equality duty requires public authorities, in the exercise of their functions, to have due regard to the need to:
- 8.5.1 Eliminate discrimination, harassment and victimisation and any other conduct that is prohibited by or under the Act.
 - 8.5.2 Advance equality of opportunity between people who share a relevant protected characteristic and people who do not share it.
 - 8.5.3 Foster good relations between people who share a relevant protected characteristic and those who do not share it.

The nine protected characteristics under the Equality Act are age, disability, gender reassignment, race, religion or belief, sex, sexual orientation, marriage and civil partnership, pregnancy and maternity.

- 8.6 Having due regard for advancing equality involves:
- 8.6.1 Removing or minimising disadvantages suffered by people due to their protected characteristics.
 - 8.6.2 Taking steps to meet the needs of people with certain protected characteristics where these are different from the needs of other people.
 - 8.6.3 Encouraging people with certain protected characteristics to participate in public life or in other activities where their participation is disproportionately low.
- 8.7 The applications from organisations required applicants to provide detailed information on equalities issues as detailed at paragraph 6.7 above This included the intended people who were to benefit from their proposals, how many people would benefit and the geographical area in which services would be delivered. The detailed EQIAs show the purposes of the projects, their intended recipients and numbers and the geographical locations. This information was then analysed by the number of groups who are to continue to receive funding, those which are new projects, where organisations were previously funded in 2011/12 but are not recommended for funding and

projects which haven't been previously funded but the primary beneficiaries are from one of the 9 protected characteristics. For each funding stream there is then consideration of alternative provision for the intended beneficiaries of projects which have not received funding.

- 8.8 In making the decisions on the recommendations in this report, members must have in mind the Public Sector Equality Duty and the equality issues raised. A summary of the EQIA for each funding stream is attached to this report as Appendix 2. Members should consider what impact their decisions will have on the needs of those with protected characteristics.
- 8.9 There is also a requirement to reconsider the equality duty if new information comes to light. For this reason not all the moneys set aside for mainstream grants have been allocated and there is a review process detailed in Appendix 3. An agenda item has also been added to the next Cabinet to consider and review requests.
- 8.10 When looking at any decision to cut or withdraw funding consideration needs to be given to:-
- 8.10.1 providing reasonable notice on the voluntary or community organisation
 - 8.10.2 ensuring that the voluntary or community organisation has no legitimate expectation that funding will continue
 - 8.10.3 any relevant policy or document e.g. the Compact which contains considerations to be taken into account before making any decision has been considered
 - 8.10.4 the impact of the proposed cuts on the Council's ability to comply with or meet the objectives of the Public Sector Equality Duty have been met
 - 8.10.5 the requirement to consult has been satisfied
- 8.11 The Third Sector Organisations have been notified of the recommendations and that these will take effect on 1st January 2013 which gives them the three months notice detailed in the Compact. As they receive the notification of the decisions they will also receive details of the review process. During the consultation on the new Mainstream Grants process organisations were informed that there was no guarantee that funding would continue and that it could be reduced.

9. ONE TOWER HAMLETS CONSIDERATIONS

- 9.1 The contribution of Third Sector organisations to delivering One Tower Hamlets is explicitly recognised in the Council's Third Sector Strategy. Organisations play a key role in delivering services that address inequality, improve cohesion and increase community leadership: the deliveries of these services are real examples of 'One Tower Hamlets' in practice.

- 9.2 The opportunities offered through the Main Stream Grants programme will therefore play a key role in delivering the aims of One Tower Hamlets.
- 9.3 A detailed Equalities Impact Assessment has been undertaken for all MSG funding streams. A summary is set out as Appendix 2, with detailed assessments available for inspection.

10. SUSTAINABLE ACTION FOR A GREENER ENVIRONMENT

- 10.1 The funding priorities outlined in this report support the spirit of SAGE. The Council as a funder of third sector proposals that meet these priorities assists in the implementation of the strategic aims of SAGE along with its community and voluntary sector partners.

11. RISK MANAGEMENT IMPLICATIONS

- 11.1 A number of different risks arise from any funding of external organisations. The key risks are:
- The funding may not be fully utilised i.e. allocations remain unspent or outcomes are not maximised;
 - The funding may be used for purposes that have not been agreed e.g. in the case of fraud;
 - The organisations may not be able to secure additional funding necessary to deliver the agreed activities;
 - The organisation may not in the event have the capacity to achieve the outputs and outcomes required.
- 11.2 To ensure these risks are mitigated or minimised, each organisation or project sponsor will be required to comply with the requirements of an Agreement, which clarifies the outputs to be delivered and the evidence required to support delivery in order to trigger payments. All supported projects will be strictly monitored on a quarterly basis to ensure compliance.
- 11.3 There is a risk of legal challenge to the process from organisations if the Council does not satisfy the requirements of the Public Sector Equalities Duty, and the Tower Hamlets Compact. An Equalities Impact Assessment has been undertaken, and those organisations that have had funding either discontinued or significantly reduced, have been notified of the potential outcome.

12. CRIME AND DISORDER REDUCTION IMPLICATIONS

- 12.1 The services that will be provided through the MSG programme cover a broad spectrum of activities some of which are key drivers in contributing to the reduction in crime and disorder; these include:
- Improving community cohesion;

- Getting people into employment;
- Providing timely advice and advocacy; and,
- Supporting 'at risk' individuals.

13. EFFICIENCY STATEMENT

- 13.1 The commissioning framework provides greater transparency and clarity in the delivery of desired outcomes along with cost of providing those outcomes to facilitate more efficient alignment of funding allocations.
- 13.2 The proposed funding priorities which are clearly linked to delivering outcomes as set out in the Strategic Plan and Community Plan will deliver better outcomes for local people within existing resources. Through for example:
- Giving priority to organisations and schemes, that promote social inclusion by reducing social exclusion
 - Supporting service providers who deliver cost effective services that benefit the local community and meet the needs of the area

14. APPENDICES

Appendix 1 – Recommended Awards

Appendix 2 – Summary EQIAs.

Appendix 3 – Summary of Budgets and Recommended Programme

Local Government Act, 1972 Section 100D (As amended) List of “Background Papers” used in the preparation of this report

Brief description of “background papers”	Name and telephone number of holder and address where open to inspection.
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To be completed by author

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| <ul style="list-style-type: none"> • MSG Cabinet reports 14.03.12 and 05.09.12 • Equalities Impact Assessments • Grant specification documents • Details of current funded organisations | <p>Everett Haughton
Development and Renewal
5 Floor
Anchorage House
Tel: 020 7364 4639</p> |
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