

Comments of the Grants Scrutiny Sub-committee on 29 April 2019 for Grants Determination (Cabinet) Sub-committee on 01 May 2019

GRANTS DETERMINATION SUB-COMMITTEE MEETING REPORTS FOR CONSIDERATION

5.1 School Uniform Grant

The committee had heard that the school uniform grants is providing support and help to families to assist with the purchase of school uniforms for children transitioning from Primary into Secondary schools. That the commissioners had previously agreed the award; that over the last 3 years they have been supporting around 1800 -1900 children per year and that budget for the school uniform grant is to remain at £210k per annum. The request was for the committee to consider approval for continuation of the school uniform grant for 2019/20 and for the Corporate Director to continue with the delegated authority to approve future school uniform grant for 2019/20 and for future years while funding is available.

The committee questioned how the school uniform grant was dispensed with as well as how it was advertised. They were informed that the funding was publicised on the TH Councils' website, word of mouth and some of schools were promoting this. Furthermore, they were informed that tackling poverty team were working with the Council's communication services to bring about raising the profile of the school uniform grant scheme and this year they are looking to expand the letters and provided other sources of help e.g. income maximisation. The committee were informed that school uniform grants would open in June and payments would be made via BAC's. The committee had suggested that the publicity and advertisement of the school uniform grant should be made as soon as possible.

The committee requested clarification on the decrease number of claims made (that were not paid) between 2016 and 2018. It was confirmed that the main reason for the decrease of non-payment was because the claims did not meet the eligibility criteria. The reporting officer added, that this year if there was a shortfall then they would be able to top shortfalls using tackling poverty fund. The committee had enquired as to what happens to the funding that is unspent. The reporting officer had stated that they were uncertain as this was managed by education and that it had been administered by the benefits team. The committee had acknowledged that this was a really good use of tax payers' money and considered that there were significant benefits at play here in terms of tackling poverty when dealing with young children.

The committee endorsed the report for Grants Determination (Cabinet) Sub-committee.

5.2 Homelessness Prevention Procurement Hub (Capital Letters) MHCLG Sub-grant agreement

The committee had received an update on the MHCLG grant which provides the pan-London Homeless Prevention Procurement Hub e.g. Capital Letters (London) Ltd. The reporting officer had confirmed that TH Council had led on the set up of 13 participating London boroughs e.g. Tower Hamlets, Lewisham, Bexley, Croydon,

Ealing, Hammersmith & Fulham, Westminster, Haringey, Waltham Forest, Barking & Dagenham, Redbridge, Southwark and Brent to deliver on a joint procurement strategy to meet the needs for accommodation for homeless households. The organisation has been set up as a not for profit company and will operate similar to the ALMO as Tower Hamlets Homes. TH Council had spent funding last year to set up the organisation. The committee had questioned from an audit perspective whether the terms of group agreement would be subject to scrutiny. The reporting officer had confirmed that the Capital Letter Ltd would be subject to scrutiny.

The committee had requested for the reporting officer to qualify how the resources would be allocated proportionately amongst the boroughs involved. The committee had heard that the allocated funding would not meet all the costs and that each local authority will be seconding staff (Tower Hamlets offering 2 staff) or recruiting staff to support with the procurement and supply of properties. The committee had asked for clarification if the seconded staff would be from an existing pool of people with relevant experience. The reporting officer had confirmed that this would be the case, although this would be only for the start-up phase 2-3 years and staff will need to decide if they wish to continue with the company or return back to the council.

The committee had enquired about the monitoring arrangements and the levels of risk. The committee heard that TH Council had a duty to ensure that the money is properly spent and that TH Council is managing this function on behalf of MHCLG. The committee had raised cause for concerns that around previous management of modular temporary accommodation. The committee heard that modular was a separate project and company for delivering 200 homes over 4-5 boroughs. This would be across 13 London boroughs on private lettings.

The committee endorsed the report for Grants Determination (Cabinet) Sub-committee.

5.3 MSG project Performance Report – Extension Period 01 (September to December 2018) Page 65 –colour code is incorrect but text is correct.

The committee was presented with the standard quarterly performance report for the first period of the extension to the MSG programme. The reporting officer confirmed that the report was for noting and that there were three red rated projects and the reason had been that two had not met the condition to have specific safeguarding certification and one reported under performance. The committee had enquired if these projects had been previously subject to red rating with concerns about the organisations performance and safeguarding. The committee heard that the community languages team lead had wanted the safeguarding certificate in place so it was included in the Offer Letter for the extension period as a pre award condition before payments are made.

The issue had been that two organisations did not have safeguarding certificate (although the tutors had safeguarding certification for themselves) the organisations did not have one however that since then they have now provided the relevant safeguarding certification which has resolved the situation and are now green. Toynbee hall was red rated as it was underperforming on the basis that it was not complying with the number of workshops needed to support the people.

The monitoring officers had put in a project improvement plan to catch up and early indication is that the organisation will be returning back to green rated as they have completed the required number of workshops. The reporting officer had confirmed that they were using a lighter touch performance monitoring for the four month period, however all projects receiving over £30K per year had a return substantially the same as previously for this period. Projects to the value between £5K and £30K had one minimum visit per year and projects over £30K had a minimum of 2 per year. The purpose of this was to conduct document verification but acknowledged that frequency of visit could increase if needed as well as contact with the group. Future monitoring returns would include summary reports instead of full reports depending on the level of funding.

The committee had questioned if the new THCVS CEO was involved in the process for the LCF and involved in the performance monitoring. The committee was informed that the THCVS CEO was to be involved in the process for the MSG and while not able to attend for this period would be involved in the regular meetings of the grants spotlight review panel for (flagging up) red or amber rated projects.

The committee endorsed the report for Grants Determination (Cabinet) Sub-committee with certain errors to be amended in the report.

5.4 Emergency Fund Criteria Revision

The committee had heard about building on the report for EFCR from last year and revising the criteria. The reporting officer had presented the revised criteria to take into consideration the Council's requirement to have a condition of grant that an organisation should not be a debtor to the Council and, if in a Council building, should have an appropriate property agreement and to change the current criteria that an applicant has to be in receipt of Council funding to be eligible for funding. This is proposed to be changed to have had Council funding within two years. The purpose of the EFC was to allow the Council to provide support for unforeseen emergencies and not for funding projects e.g. staffing. The EFC would be able to provide flexibility to projects that have been successful with the local community fund but there remain a gap in delivery. For example if the project activity concludes in July 2019 and LCF funding does not start until October 2019. The committee was informed that in these circumstances certain project related costs could be considered in a time limited framework. The EFC could be applied to organisations that were unsuccessful in applying to the LCF to help the organisation e.g. winding down but not for delivering projects. In all cases the organisation should be a facing a 'life and limb' emergency that funding would help get the organisation back into a sustainable position.

The committee had highlighted that organisations relying on grant funding may be applying from different sources and sometimes this can lead to unforeseen emergencies. The committee had questioned what is considered the level of debt. The committee noted on page 129 point 3.5 'must not be a debtor to the Council' the committee highlighted that business rates set by the council can cause debts and how can this be defined in relation to grants for LCF and MSG. The committee had heard that this is undertaken during application checks and that they would also check with the department who is owed the debt. The committee felt that sometimes

the Council can cause the problems of debt and that the definition of debtor to the council needs to be rewritten.

The committee felt that there needs to be more flexibility. The committee raised the question whether the eligibility criteria of having been funded by the council within the last two years was sufficient and questioned how many organisations would have been eligible. The committee was informed that the two years was considered optimum on judgement. The committee had questioned how the £66K would be distributed amongst organisations that requires EFC if a large number of organisations were unsuccessful with the Local Community Fund. The committee had questioned whether the Transition out funding will be larger than the £66K. The committee heard that organisations that were not closing down but transitioning to different delivery would benefit from transitional funding. Equality Impact Assessment on the LCF programme could lead to some organisations being unsuccessful for LCF and therefore some transition funding to aid the change from MSG to different type of service could be offered. This does not mean closure but some small funding to restructure. The committee had asked to quantify what modest amount of money means and they were informed a few thousands of pounds. The Emergency Fund, even with the proposed revised criteria, is not anticipated to be a 'Transition Fund' for organisations that have been unsuccessful applying to LCF.

The committee recognised the EFC and acknowledged that it's positive but felt that it needs to be offer a more flexible environment to support organisations

Action: The committee had requested for a clearer definition in the report for the 'debtors to the council' and clearer understanding around the circumstances e.g. differences between emergency fund and transitional fund.

The committee endorsed the report for Grants Determination (Cabinet) Sub-committee.

5.5 Local Community Fund Presentation

The committee had received a presentation on the update of Local Community Fund (LCF) and Small Grants Programme (SGP) from the Council. The programme was developed and co-produced in 2018. The committee was informed that the total level funding for the LCF will remain the same as the MSG i.e. £2.66 Million per annum from October 2019 to March 2023. The model of delivery has moved to an outcome focused framework with a stronger emphasis on the impact of activities. The committee was informed that funding is based on full cost recovery and match funding is not required. Local connection and service delivery is an important element of the programme and this is reflected in the scoring of bids. There are five themes: inclusion and wellbeing, digital inclusion, information and advice, employment and skills and community safety. The programme has a built in continuous co-design in order to develop the programme and offers lighter touch contract. The LCF process has been open and transparent and all criteria have been published online.

The committee was informed that the East End Community Foundation (EECF) has been sourced to carry out the assessment of bids on behalf of the council. EIA's would be applied to assess whether there are any disproportionate impacts on

people with protected equalities characteristics and if transitional arrangements or other mitigation need to be in place. The committee had asked if they will get reporting for those from MSG applying for LCF and they were informed that a report will go to Cabinet July 2019. New services will commence from 1st October 2019 and that periodic reporting would continue.

The committee had enquired if EECF was charging and they were informed that EECF was charging 10-12% of the grant value. The committee had questioned as to why (it was outsourced) EECF was chosen to carry out the duties, they were informed that it was considered a cost effective method and it provided access to the EECF's wider portal of funders.

The committee had heard that the SGP was a single programme for all council grants and also based on five themes e.g. Innovation, prevention, neighbourhood action, community cohesion and partnership working and funding remains based on outcome deliverables. Total value of the SGP will be £180K for the full year. The ageing well and events fund programmes will come to an end and the budget become part of the SGP from 1 October. The committee had questioned what the implications are as the third sector team had previously administered the SGP. Officers confirmed that there were minimal staffing implications. The committee had questioned what checks and balances oversight has been taken on EECF. The reporting officer had informed that the council has completed its due diligence that contract is for two years for programme and EECF and that both will be reviewed. The committee had questions around governance in terms of what the decision making process is.

The committee was informed that Cabinet had delegated that authority to TH CEO but that it would then go to members for endorsement. The committee raised the issue that the Overview and Scrutiny Committee can call in Cabinet decisions but not TH CEO. The committee was informed that it would be going to the OSC. The committee questioned what happens if the programme is not endorsed by Cabinet. They were informed that this would depend on the reason e.g. if it is an EIA then the process can be repeated but if this is an assessment process issue then there would be wider implications. The committee had acknowledged that the process is different to the pre 2010.

ANY OTHER BUSINESS THE CHAIR CONSIDERS TO BE URGENT

None.