

LONDON BOROUGH OF TOWER HAMLETS

PROFORMA:

MAYORAL DECISION SUBJECT TO CALL-IN AND REFERENCE BACK

Mayoral Decision Log No: 042

Title: Community Chest and Community Events Fund – Round 3

Is this a Key Decision:

No

UNRESTRICTED / RESTRICTED:

Unrestricted

DATE OF OVERVIEW AND SCRUTINY COMMITTEE:

05 November 2013

DECISION OF THE OVERVIEW AND SCRUTINY COMMITTEE:

To refer the above decision back to the Mayor for further consideration.

REASONS FOR THE REFERENCE BACK

The Call-in requisition in relation to the above decision set out the following reasons for the call-in:-

- Inadequate level of consultation and assessment with regard to certain applications. It is not clear that these proposals represent best value for money for local taxpayers.
- We note that organisations providing a cross-community service such as the Citizens Advice Bureau was refused a grant on the extraordinary grounds that "it did not meet priorities for this grant".

- A number of grant recipients are organisations which should either be self-sufficient or independent, such as certain so called media organisations. There are also other organisations which have received council funding in the past year.
 - For the second year in a row, the Bangla Mirror receives several thousand pounds towards the gala dinner launch of Bangladeshi "Who's Who"
 - Bangla TV received funding for a Mela
 - Al-Ishara receives another four figure sum for a deaf awareness event, following on from the event last year

ALTERNATIVE ACTION RECOMMENDED BY THE OVERVIEW AND SCRUTINY COMMITTEE (IF ANY)

The Call-in requisition proposed the following alternative action in relation to the Mayor's decision:-

- Overview and Scrutiny is asked to refer this back to the Mayor with the recommendation that the Mayor does not grant this funding.
- In addition the Mayor should publish all advice and recommendations to the Grants Panel by officers and in all cases where the Grants Panel has made recommendations not in accordance with officers recommendations, there should be a full explanation, with reasons for the variation.

ANY OTHER COMMENTS

The OSC had before them the Mayoral Decision Pro-forma considered and signed by the Mayor (published 10 October 2013) and the "Call In" Requisition signed by five Councillors (declared valid 18 October 2013).

The Overview and Scrutiny Committee considered the call-in request which was presented by Councillor Peter Golds.

Councillor Golds summarised the reasons for "calling in" the Mayoral Decision, outlining the key concerns of the "Call-in" Members, and setting out the action sought from the OSC to address these as follows:

- Concern expressed on the lack of transparency in respect of the Mayor's decision making on this matter: The Mayor had considered the report and made his decision on 9th October, the day of a Cabinet meeting, but rather than making the decision in public at the meeting, the decision had been made outside Cabinet, under Executive Powers, and the report/ decision published on 10th October. There appeared to be a developing pattern of important decisions being made in secret and published in a way intended to avoid observation.
- Concern expressed that the Mayor's judgement of priorities for funding was misplaced. Grant application CE86 from the Citizen's Advice Bureau (CAB) for a series of information events on welfare reform had been rejected. The application for £5,000 was small in the context of the

approximate total of £8.75 million grant funding to date by the Mayor. The CAB provided an important cross community service for residents of Tower Hamlets, and although the Mayor emphasised his concern on welfare reform his decision indicated he was not sufficiently concerned. This contrasted with grant application CE85 from the Bangla Mirror (BM) for a gala dinner to launch the "Who's who" for the Bangladeshi Community, where grant of £5,000 had been sought and £4,500 granted by the Mayor. The BM appeared so certain of receiving funding, the application appeared to have been copied from the previous year as the application was for a 2012 "Who's who" not 2013. This also appeared to indicate a lack of forensic examination of applications by Officers before signing them off for recommendation to the Corporate Programmes Grant Board (CPGB).

- Concern expressed that there was a geographical imbalance in the allocation of grant funding by the Mayor with approximately £67,000 allocated to Millwall Ward (the most populous) and little given to the Bow Wards, in contrast to approximately £1.8 million for Whitechapel Ward and £1.9 million for Spitalfields and Banglatown Ward; the latter wards combined comprising a very significant tranche of the approximate total of £8.75 million grant funding.
- Concern expressed regarding the Mayor's rationale for funding some grant applications, and consideration that further scrutiny of grant allocations was needed. Media organisations that provided the Mayor's administration with unchallenging interviews and therefore an advertising platform, were funded here. Ofcom had recently censured Bangladeshi TV stations for illegal editorials, and not all residents watched Bangladeshi TV. The East London Mosque (ELM) was receiving more grant funding than any other organisation (approximately £394,000) and although important in the community, was also controversial: featuring in a recent national TV programme by Andrew Neil, and having invited the controversial Mufti Ismail Menk, who expounded offensive views (seen on "You Tube"), to speak there. Consideration therefore that taxpayers money should be allocated to organisations that were representative of and beneficial to all the borough's residents.
- The Mayor was therefore requested to:
 - Reconsider his decision to grant funding to the organisations highlighted in the presentation of the Call In
 - Provide all Officer advice/ recommendations to the CPGB and where the Mayor's decision was taken contrary to/ varied this, the Mayor provide a full rationale.

Councillor Golds subsequently responded to questions from the OSC as follows:

- A geographical imbalance in grant allocations might result from a lack of applications from some areas, or applications that didn't meet the grant criteria, so was it fair to blame the Mayor/ Cabinet for this. *Decisions were solely those of the Mayor and if the Mayor made decisions contrary to Officer advice it was important to be provided with the rationale for this. It was also important to weigh the benefits of grant to the wider community in the context of acknowledged pockets of poverty across the borough.*

- Clarification was sought and given, as the ELM was not listed as an applicant for grant funding in the report. *Several of the organisations granted funding by the Mayor to date were based/ located at the ELM eg Al-Ishara (CE82). It was important to examine the destination of the grant funding as a whole, and for the outcomes to be of benefit to the wider community not just one area, even if the organisation's activities were a worthy cause [Al-Ishara for deaf/ hard hearing in Bangladeshi community] as others may have a different worthy cause they supported.*

Councillor Alibor Choudhury, Cabinet Member for Resources, responded to the concerns raised by the "Call-in" Members and subsequently responded to questions from the OSC summarised as follows:

- Response to Call In requisition:-
 - Summarised the amount of grant available and objectives/ criteria of the Community Events Grants Scheme:
 - Emphasised that the grant scheme and the purpose for which funding was available had been widely advertised on the Council's website and East End Life.
 - Outlined the robust nature of the Officer assessment process for such grant applications. Given that public money was being granted it was essential for applications to prove value for money and delivery of appropriate outcomes.
 - The CAB grant application (CE86) was for a series of on-going events whereas the grant criteria was for one off events, and consequently the application had not met the criteria for grant funding.
 - The BM grant application (CE85) was for a one off event that benefitted Tower Hamlets residents, with no complaints up to this point. The application had undergone the robust Officer assessment process and proved it could deliver the required outcomes of the grant scheme providing a celebratory event for Bangladeshi achievement relevant to the people of the borough.
 - The Bangla TV grant application (CE98) for a Mela, although having a Bangladeshi community focus was open to all residents, and a celebration of music and culture, and therefore met the criteria for the grant scheme.
 - The targeting of an application from Al-Ishara (CE82) in the Call In was particularly upsetting. Al-Ishara provided a valuable service for deaf/ hard hearing children and the event proposed for funding would benefit the community.
- Response to OSC Questions:-
 - The BM grant application (CE85) was for a regular gala dinner event that took place annually, was a networking event for a small element of the community. Was this not an outrageous use of public money, particularly in the context that funding for the LBTH Staff Awards event had been cut? The Conservative Party had used the 2011 "Who's Who" to publicise a prominent PPC.
 - Referencing para 1.2 of the Officer report appended to Mayoral Decision, clarification was sought as to why the Community Chest Programme was temporarily suspended pending a review. Also

was there a Council policy on whether voluntary sector rather than private sector organisations should receive such grant funding? Officers had indicated funding should only be to VS organisations. *What was important was that appropriate outcomes were delivered to the community from the grant scheme, and whether the organisation delivering outcomes was VS or otherwise did not matter provided the community benefitted. Total funding available for the Community Chest and Community Events fund was £688k over a rolling 2 years: 2012/14. The balance remaining was £92,595 (£11,500 for the Community Chest and £81,095k for the Community Events fund). With a total of 260 applications received it was important to examine the impact of grant funding to date and carefully assess the added value and consider the best way forward. A post within the recently restructured Third Sector Team responsible for data analysis would assist with this. The combining of the residual Community Chest fund (where the maximum grant is £10k) with the Community Events fund (where the maximum grant is £5k), was designed to optimise potential outcomes from the remaining funds. The OSC requested the impact assessment and related criteria be provided in writing.*

- Councillor Choudhury had previously presented the case for grant funding new organisations and the importance of funding them early in their development, was it not therefore inconsistent to reject the grant application of a new Somali organisation as reported here?
- Given that the Morpeth Community Table Tennis Club grant application (CE88) for a 2 day table tennis festival followed by 8 coaching events had been deemed eligible for funding, was this not inconsistent with rejecting the CAB application (CE86) for 10 events because they were not a one off event? Consideration that this was overly harsh for the CAB and an improved perception of fairness needed.
- Consideration that rejecting the CAB grant application, for not being a one off event, was inconsistent with funding the grant application from Bishops Way Community Centre for a homework club (CE83), which by definition was an ongoing activity. *The grant applications CE88 and CE83 were not comparable and granted / rejected according to the criteria, and the CAB had been granted significant funding for its activities under the Mainstream Grant scheme (MSG).*

A discussion then followed which focused on the following points:-

- Consideration that the geographical imbalance in the allocation of grant funding between East/West and North/ South was a matter the Fairness Commission should examine, as no matter where residents lived in the borough they should have equal access to service provision. **The OSC requested 2 maps indicating the location of applicant organisations and those which had been successful.**
- Consideration that the decisions made on the grant applications reported were inconsistent:

- Green Candle Dance Company (CC160) granted funding for computers however the Association Ayoka Project (page 38), an African drum/ dance project, had not received funding for computers as this was "out of scope for funding". Consideration therefore that the basis for awarding funding required further scrutiny.
- If some applications were rejected for not being one off events, why were other applications which were not one offs granted funding.
- Consideration that some of the grant applications recommended by Officers provided a showcase/ platform for the Administration to receive the appreciation of the local Bangladeshi community, and these events were also used for circulating publicity material and electioneering. This was not good use of public money and it was important for Officers to engage in a more robust assessment of grant applications/ schemes as the 2014 Mayoral and Local elections approached.
- Consideration that the reported rationale for the award and rejection of grant applications was insufficiently detailed and it was therefore difficult to judge the consistency of the decision making. However several apparent inconsistencies had already been highlighted. Consideration also that because no Officer advice/ recommendations regarding the grant applications had been published, so there was also a lack of transparency in the decision making process. **The OSC requested that Officer advice/ recommendations to the CPGB in relation to the grant applications be provided for its information and where the Mayoral Decision was contrary to this a full rationale was provided for the decision.**
- Consideration that there had been a lack of transparency on the process for applying for grant under the scheme ,and residents seeking funding for estate based projects had relayed their frustration about this to Councillors.
- Commented that the criteria and priorities for this grant scheme had not been published where they were easily found nor circulated. The questions on the application form were very general and provided insufficient detail to form a view on the merits of the applications. The opacity of the Mayors decision making here was of concern given that when the opacity of the MSG process clarified the decisions were of great concern.
- Consideration that there was a lack of transparency in the decision making on the grant applications and it should have been made in public at the Cabinet meeting on 9th October. Where possible such decisions should be taken in public and issues such as those being raised in the Call In could be taken into account at the time the decision was made.
- Consideration that the funding of a homework club by a community centre under this grant scheme was probably unnecessary as schools could provide this and probably received funding to do so.
- Consideration that funding for the ELM had been controversial the previous year and it would be helpful for the OSC to be informed which organisations were based there and how much funding they were receiving from the Council.
- Consideration that the Al-Ishara grant application (CE82) had been unfairly targeted by the Call In and it should not be maligned just because

it was based at the ELM. The London Muslim Centre may be controversial but Al-Ishara was independent of ELM management and provided a valuable service to the community.

The Chair summarised that the OSC considered that the decision of the Mayor outside Cabinet should be referred back to the Mayor for further consideration for the reasons detailed above and outlined below:

- Inconsistency in the decision making on the grant applications.
- Lack of clarity and sufficiency in the response of the Cabinet Member for Resources to the Call In and associated OSC questions.
- Lack of transparency in respect of the application process and criteria/priorities for this grant scheme. These had not been published where they were easily found nor circulated.
- Officer advice/ recommendations to the CPGB had not been published, which compounded the lack of transparency in the decision making process. The OSC formally requested this now be provided for its information and also provided with future such reports. Also a rationale to be provided where the Mayor's decision was contrary to/ varied Officer advice/ recommendations to the CPGB.
- Consideration that there was a geographical imbalance in the allocation of this grant funding between East/West and North/ South of the borough and the Mayor should ensure a fair grant allocation across the borough so all residents benefitted not just some areas. The OSC requested 2 maps indicating the location of applicant organisations and those which had been successful.

The Chair also summarised that the OSC had requested a further report for its consideration on the overall impact of the Community Chest and Community Events Grants Programme, including impact assessment and related criteria, monitoring mechanisms.

Following discussion, the Overview and Scrutiny Committee made the following Decision.

Decision

1. To refer the decision of the Mayor outside Cabinet back to the Mayor for further consideration for the reasons detailed above.
2. That a further report be presented for future OSC consideration on the overall impact of the Community Chest and Community Events Grants Programme.

DECISION OF THE MAYOR

I have reconsidered my decision Log No. 042 "Community Chest and Community Events Fund – Round 3" in the light of the information provided by the Overview and Scrutiny Committee at its meeting on 05 November 2013 as set out above.

Having taken into account all of the relevant information I have decided to:-

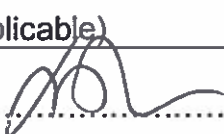
✓ (a) Confirm my decision, of 09 October 2013, published on 10 October 2013, on the matter*; or

(b) Amend my decision, of 09 October 2013, published on 10 October 2013, on the matter as follows*:

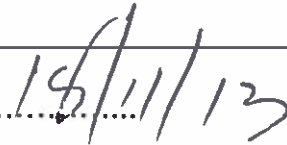
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(* Delete as applicable)

Signed



Date



Mayor Lutfur Rahman