

LONDON BOROUGH OF TOWER HAMLETS

PROFORMA:

MAYORAL DECISION SUBJECT TO CALL-IN AND REFERENCE BACK

Mayoral Decision Log No: 046

Title: Community Chest and Community Events Fund – Round 4

Is this a Key Decision:

Mayor's provisional decision published 3rd December 2013 – No.

UNRESTRICTED / RESTRICTED:

Unrestricted

DATE OF OVERVIEW AND SCRUTINY COMMITTEE:

7th January 2014

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:-

There are a number of important questions which are not addressed by the report accompanying the decision which we believe warrant further scrutiny.

One key point of concern is that little if any justification has been given for the decision to move £161,695 from Community Grants fund to the Community Events fund. With such a significant sum being reassigned we think it is only right that O&S is given the opportunity to seek clarity about the reasoning behind this.

We ask the Committee to consider a number of specific issues:

- Following the decision to move £161,695 from Community Grants into the Community Events fund there will no longer be any community grants budget for the remainder of the year. By contrast there is now an unspent events budget of almost £80,000 all to be spent between January and April 2014. It is our opinion that allocating an additional £80,000 budget for events in the months running up to the 2014 election without giving any real justification raises real questions about the politicisation of the Mayor's allocation of tax payer funds.
- The Mayor states in his decision that *"I have questioned four Community Chest funding applications where the proposed funding awards, as listed in Appendix 1 had negative comments originating from programme officers against them. Although officers may come to the view that an application is poor and/or that it should not receive funding, there are from time to time cases where, when taking account of wider circumstances, projects are worth supporting in the view of the perceived potential community benefits."*
- The Mayoral Decision does not however state what factors he believed justified his decision was based on nor what differences with officer recommendations he had. It appears highly likely that what instead of actually carefully considering the impact of this grant funding the Mayor has just copied and pasted his previous mayoral decision notice as this decision is virtually identical to that made on the 19th June this year. We would ask that the O&S committee look into this and to ask the Mayor on what he based his decisions and why he has abdicated his responsibility to have informed and clear regard to the allocations of funding.
- To be sure of any discrepancies between the original officer advice and the final decision we would ask that the O&S Committee request all papers and assessments which went to the CGPB as well as the individual funding applications themselves to be sure they meet the relevant criteria for this fund.
- Following previous grant awards it is clear that there are serious concerns about the way in which grants funding is allocated. Round 3, only two months ago, saw the Mayor choose to award £8,500 of funding to commercial media organisations yet he refused to fund the Citizens Advice Bureaux to run welfare reform advice sessions. We would also like to know if, and if not why not, bids from organisations submitted as part of Round 3 were included in consideration for Round 4 of the Community Events fund.

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:-

That the Mayor reconsiders his decision for the following reasons:

- The decision should be reconsidered in view of the administrative errors made to ensure that unsuccessful organisations have not been punished because of those errors.
- Consideration should be given to reinstating the money into the Community Chest.
- All minutes should be made available to the Members of the Overview and Scrutiny Committee.
- Due to the serious concerns over the public perception of the use of money in the run up to the election and there should be a condition added to any funding agreement, preventing invitations to political parties to attend events, to ensure that there is no undue political gain or publicity and to protect the integrity of the Borough.

ANY OTHER COMMENTS

The OSC had before them the Mayoral Decision Pro-forma considered and signed by the Mayor (published 3rd December 2013) and the "Call In" Requisition signed by six Councillors (declared valid 10th December 2013).

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

Councillor Jackson 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 as set out in the report and to address these as follows:

- There was concern that following the decision to move £161,695 from Community Grants into the Community Events fund there would no longer be any community grants budget for the remainder of the year. However, there was now an unallocated events budget of almost £80,000 all to be spent between January and April 2014. There was concern about allocating an additional £80,000 budget for events in the months running up to the 2014 election without giving any real justification. There was also concern that the budget would be used for things not included in the Council's overall budget considerations.
- The Mayor stated in his decision that "I have questioned four Community Chest funding applications where the proposed funding awards, as listed in Appendix 1 had negative comments originating from programme officers against them. Although officers may come to the view that an application is poor and/or

that it should not receive funding, there are from time to time cases where, when taking account of wider circumstances, projects are worth supporting in the view of the perceived potential community benefits." It was felt that Appendix 1 did not give the rationale behind the comments.

- The Mayoral Decision did not however state what factors he believed justified his decision was based on nor what differences with officer recommendations he had. It appears highly likely that what instead of actually carefully considering the impact of this grant funding the Mayor has just copied and pasted his previous mayoral decision notice as this decision is virtually identical to that made on the 19th June this year. We would ask that the O&S committee look into this and to ask the Mayor on what he based his decisions and why he has abdicated his responsibility to have informed and clear regard to the allocations of funding.
- To be sure of any discrepancies between the original officer advice and the final decision we would ask that the O&S Committee request all papers and assessments which went to the CGPB as well as the individual funding applications themselves to be sure they meet the relevant criteria for this fund.
- The latest round of Community Chest grants had been decided in secret and had not been made properly public. This was concerning as it was felt that this had an impact on the community and it was not felt that the Council was serving the voluntary sector properly.
- It was felt that the Mayor should take back the report for further consideration, giving rationale for his decision.

Councillor Alibor Choudhury, Cabinet Member for Resources indicated that he would do his best to deal with any matters raised by the Committee, however he had addressed many of the points at previous call-in meetings and would not respond to questions relating to individual organisations. He responded to the concerns raised by the "Call-in" Members:

- Funds were transferred from Community Chest to Community Events as the Community Events was a more successful funding stream with a bigger demand and a higher number of applications.
- The Corporate Grants Programme Board (CGPB) has looked at the discrepancies and these have now been addressed.
- The CGPD has a remit to make recommendations to the Mayor on applications for grant funding and there is a clear process set out for doing this. All successful applications for grant funding demonstrated clear community objectives and social benefits.

Members of the Committee sought clarification from Councillor Choudhury on the following points:

- How the success of the funding stream was measured and what were the actual benefits and outcomes of the community events.
- Whether the Voluntary Sector still needed the same level of support in the current climate;
- Whether the restrictions of the pre-election purdah period also applied to attendance at Council funded events;
- Concern was expressed over the closed nature of the process and the process for challenge. A request was made to make papers available to Members of the Overview and Scrutiny Committee and clarification was sought as to why they weren't already made readily available.
- What compensation was made to those organisations that had been cut off from funding due to administrative errors and what support is given to small organisations that are refused funding to make a successful application in the future.

Councillor Choudhury responded as follows:

- £426,305 had been allocated to date which had delivered benefits and had built capacity for a number of community organisations. The measurable outputs would be provided for Members of the Committee. 107 applications had been received which benefited a range of groups in the Borough.
- The Voluntary Sector still needed to be supported financially by the Council due to central government cuts. It played an important role in improving the lives of residents through local service delivery. The Council would continue to provide assistance to organisations to generate their own income if possible.
- There would be no funding of community events during the pre-election purdah period.
- The minutes of the Grants Board meetings were available on request and there was a clear process for scrutinising the individual Mayoral Decisions through the Overview and Scrutiny Committee call-in process.
- The Council acknowledged its responsibility to the Voluntary Sector and it would continue to support organisations and applications where possible. It should also be noted that the Council awarded nearly £250,000 to the Council for Voluntary Service (CVS) to provide such support. The CVS had also been made aware of the Members' concerns.
- The process was not secret and the scrutiny process was important as it was vital to have an accountable process and the Executive would continue to cooperate as much as possible. It was acknowledged that an administrative error had been made and this had been picked up and rectified.

The Chair concluded the Members' questions by proposing that the Rationale column in Appendix 1 be amended to read "Officer comments" to provide clarity. The Chair thanked Councillor Alibor Choudhury for his presentation

and his responses given. Councillor Choudhury and Councillor Ohid Ahmed then left the room while the Committee considered the Call-in.

The Chair advised the Committee that he had raised the issue of the decisions being taken in secret and he had been assured by the Mayor at the last meeting of the Cabinet in December that he did not take decisions in secret. However it had transpired that the decision which was the subject of the Call-in had been taken the day before the last Cabinet meeting.

A discussion ensued which covered the following points:

- It was felt that the Cabinet Member was aware of the need to demonstrate outcomes and should acknowledge this requirement.
- This was important funding and there needed to be an honest and frank discussion about where the funding was being directed as it was felt that it was not benefiting the Borough as a whole. It was felt that the funding was being directed to certain areas in the West of the Borough where the Mayor had the majority of his voter base.
- It was important to maintain the integrity of the Committee and all sets of minutes relating to the transfer of the funds should be made available to Committee Members.
- There was concern regarding the pre-election purdah period and if any events during this period had been previously funded by the Council, the Mayor should not be able to attend and benefit from the publicity.
- There was concern that there were a number of organisations which had been established by young inexperienced entrepreneurs in the Borough who needed more assistance than others when making grant applications. Concern was also expressed over the administrative errors made and the groups which had been unsuccessful.
- Funds should be transferred back to the Community Chest as there needed to be resilience and a balance between the two funding streams.
- In addition to the minutes, the Members of the Committee needed to see the officers' recommendations, the Equality Impact Assessments, the criteria which needed to be met by applicants and all the organisations who had applied. It was important to protect the Council's reputation and to demonstrate openness and transparency.
- Concern was expressed over the process for calling in these decisions. It was not felt to be effective enough as Members were given the same information every time and there was little value to the process if the information was not forthcoming. It was questioned whether the current process worked for the community.

In summarising the discussion the Chair concurred with the points made the Committee and asked whether the current system was working for the community. He proposed that the decision be referred back to the Mayor for the following reasons:

- The decision should be reconsidered in view of the administrative errors made to ensure that unsuccessful organisations have not been punished because of those errors.

- Consideration should be given to reinstating the money into the Community Chest.
- All minutes should be made available to the Members of the Overview and Scrutiny Committee.
- Due to the serious concerns over the public perception of the use of money in the run up to the election and there should be a condition added to any funding agreement, preventing invitations to political parties to attend events, to ensure that there is no undue political gain or publicity and to protect the integrity of the Borough.

The Chair noted a suggestion that there be a further report on general grants issues submitted to a future meeting of the Committee. He advised that he had asked officers to provide a map of where funding had been awarded in the Borough; the criteria for assessment and the officer recommendations. To date this information had not been forthcoming. It was important to set a deadline for receipt of this information.

Members asked that the following information be provided before the next meeting:

- Information previously requested on the Third Sector organisations which had contacted the Council and had been advised that there was no funding available.
- A Map of funding within the Borough, although it was noted that this was complex and would take longer to produce.
- The criteria for grant assessment.
- Officer recommendations on grants received.
- All remaining minutes and reports of Grants Board meetings since the MSG round was concluded which had not been previously circulated to Members of the Committee.
- Clarification of the purdah rules in relation to Council funded events.
- A summary of the outcomes and achievements of all Council grant funded events for the last two years.

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. To request that officers produce a report for the next meeting of the Committee on general grants issues, encompassing the information requested as detailed above.

DECISION OF THE MAYOR

I have reconsidered my decision Log No. 046 "Community Chest and Community Events Fund – Round 4" in the light of the information provided by the Overview and Scrutiny Committee at its meeting on 7th January 2014 as set out above.

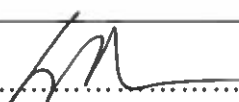
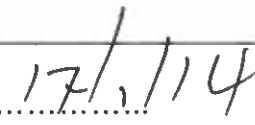
Having taken into account all of the relevant information I have decided to:-

(a) Confirm my decision, of 2nd December published on 3rd December 2013, on the matter*; or

~~(b) Amend my decision, of 2nd December published on 3rd December 2013, on the matter as follows*:-~~

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(* Delete as applicable)

Signed 	Date 
Mayor Lutfur Rahman	