

Committee: Overview and Scrutiny	Date: 4 February 2014	Classification: Unrestricted	Report No:
Report of: Corporate Director Development and Renewal		Title: Project Information Report – Community Chest and Community Events	
Originating officer(s) Dave Clark, Interim Service Head Resources Everett Haughton, Third Sector Programmes Manager		Wards Affected: All Wards	

1. SUMMARY

- 1.1 Since the launch of the Community Chest and Community Events funds, the Corporate Grants Programme Board has held a number of meetings at which funding applications have been presented and recommendations made for Mayoral consideration.
- 1.2 This report has been requested as a result of concerns expressed by the Council's Overview and Scrutiny Committee, regarding Community Chest and Community Events grants.
- 1.3 The report therefore focuses on bidding Rounds 1 to 4 of these funding streams where, recommendations from the Corporate Grants Programme Board have been approved by the Mayor. The report reviews the approved projects and initiatives in relation to the following key factors.
- i. The levels of awards
 - ii. The events and activities applied for
 - iii. The agreed outputs
 - iv. The geographical spread of awards
- 1.4 The report also clarifies the various processes and procedures relating to the management and administration of the 2 funding streams including explaining the pre-election guidance pertaining to funded event initiatives. The following table summarises the key facts and figures relating to the Community Chest and Community Event funds up to Round 4 which was approved by the Mayor on 2nd December 2013

Table 1: The current position

	Community Chest	Community Events
Total number of applications received	158	107
Total number of projects/initiatives approved	110	78
Total level of funding approved	£412,712	£180,800

2. RECOMMENDATIONS

The Overview and Scrutiny Committee is recommended to:

- 2.1 Note the contents of the report.
- 2.2 Note that the Service Head Resources has included the Community Chest and Community Events programmes in the 2014/15 Audit Plan.

3. BACKGROUND

- 3.1 The Community Chest Fund and the Community Events Fund were considered at a meeting of MABSARP on 7th July 2012 at which a report dated 4th July 2012 was also presented setting out the scope of the proposed programme. The Mayoral Decision of April 30 2013 confirmed the two schemes and approved funding awards.
- 3.2 The report proposed that a Community Chest programme be run and designed specifically to support organisations based and working in Tower Hamlets to assist them in developing their capacity in order to become more effective and more sustainable.
- 3.3 This programme is a successor to the previous Community Chest programme which ran from 2010. It was confirmed that the Community Chest pot would total £250k in 2012/13 and £338k for 2013/14. Organisations would be able to apply for small grants up to £10,000.
- 3.5 The report also explained that a one-off £100,000 budget had been identified for the Community Events Fund. Grants would be made available for suitable initiatives.
- 3.6 It was acknowledged that events can be an important part of community life in the borough. Funding would be for innovative projects involving the community. Funding of up to £5,000 would be available to help these events take place which could include:
 - Estate/locality based activities designed to improve the physical or environmental aspects of the local area, tackle anti-social activities or improve community cohesion
 - Funding for one-off events which may be related to, recreational, cultural or celebratory activities open to the community or specific communities of need.
- 3.7 For both Community Chest and Community Event initiatives, applications would be accepted at any time and would be considered on a rolling basis. This was seen as an important factor, enabling the council to respond to funding requests in a timely fashion in order to meet the specific needs of applicants.

4. BODY OF REPORT

- 4.1 Since the launch of the 2 funds, the Corporate Grants Programme Board has recommended funding for a number of projects, to be approved by the Mayor, the total funding is as set out in the table at section 1.4 above.
- 4.2 The availability of funding and the application arrangements have been promoted on the council's website since approval of the programmes. Details are also publicised on the Tower Hamlets CVS website. Officers have also publicised the availability of these funds through direct mailshots the contacts on the Council's Third Sector Database which is in excess of 800.
- 4.3 Applications for funding can be made at any time. The intention being that decisions are turned-around relatively quickly with reports presented to the Corporate Grants Programme Board on frequent/regular intervals throughout the year.
- 4.4 As a 'small grants' programme, there was always a deliberate intention not to over-complicate either the application, assessment or monitoring processes by adopting a 'fast-tracking' process similar to that used by the Big Lottery's 'Awards For All' programme' (where organisations can apply for up to £10,000 and will get a decision within 5 weeks of submitting their application).
- 4.5 The term used to describe this approach within the grant-making world is 'proportionality'. In the case of the Community Chest and Community Events funds, this effectively means 'minimising unnecessary administration processes' to enable timely decision making for all applicants and the release of funds to successful applicants.
- 4.6 Officers responsible for managing the Community Chest and Community Events Funds developed a simple but effective process for assessing applications based on 3 key principles: eligibility, suitability and quality.

Eligibility

- 4.7 To be eligible for support from these Funds, organisations must:
- Be based-in and / or delivering services in Tower Hamlets
 - Be a properly constituted organisation with a governing document such as a constitution
 - Have a Management Committee or Board of Trustees which oversees the provision of benefits to Tower Hamlets residents
 - Have an Equal Opportunities Policy that sets out how the organisation and services will be provided and how it will abide by anti-discriminatory legislation

 - Have a bank or building society account (in the organisation's name) which has at least 2 signatories from the Management Committee or Board of Trustees
 - Have current and appropriate insurance that covers its activities, premises & equipment, staff and volunteers as well as service users where relevant, or use part of the funding awarded to purchase the

appropriate insurance. If the application is successful, the organisation will be required to provide evidence that this condition has been met.

Additionally, where an organisation is proposing to work with children, young people or vulnerable adults, they must have a policy that explains how they will make sure they will be safe; they are required to have acceptable safeguarding policies and procedures in place.

Suitability

- 4.8 Each of the 2 programmes has clearly defined and funding parameters. The following gives an indication of what is **suitable** to be funded through the Community Chest strand.

The programme will fund a wide range of activities, services and functions including the following; which, is not meant as an exhaustive list. In all requests for funding, the need/demand must be clearly demonstrated and detailed costings must be provided.

1. Things designed to improve an organisation's infrastructure; including but not restricted to:
 - Staff training – accredited training directly relating to the work done by the staff member
 - Quality Assurance Accreditation for the organisation, including relevant initiatives such as PQASSO, MATRIX and Advice Quality Standard (AQS)
 - Improvement to an organisation's management or office systems – but this has to be supported by a properly costed and detailed breakdown of the work to be done.
 - Training for Board members: need has to be demonstrated and required training specified in detail in the application. Consultants recruited for the purpose must be on the National Council for Voluntary Organisation's list of approved consultants
 - Staff/volunteer training related to organisational management, administrative, strategic and day-to-day operational management issues which, must be specified in the application. Consultants recruited for the purpose must be on the National Council for Voluntary Organisation's list of approved consultants
2. Capital works or equipment – grants may be used to fully fund a small initiative or as a contribution toward a larger proposal:
 - Building work to meet DDA requirement
 - Small building refurbishment/improvements including improved access or security
 - Repair or replacement of fixed equipment
3. The purchase of furniture and equipment (which must be sourced using competitive quotes); and which may include but is not restricted to:
 - Desks, tables, chairs and storage units, etc.
 - Purchase of specialist software solutions specific to the work of the

organisation. This could include software for a database, financial management or customer/client monitoring package etc. but a business case has to be made explaining the relevance to the organisation's work

- Telephony equipment or other electronic, multi-media equipment

4. Organisational and inter-organisation development

- Developing key organisational plans and strategies
- Developing Partnership Initiatives e.g. setting-up or strengthening networks/consortia or implementing organisational mergers

5. Other initiatives:

If the idea/proposal for which you want support is not covered by any of the above items, you may still be eligible for support.

- 4.9 The following provides an indication of what is **suitable** to be funded through the Community Events strand.

The programme will support a wide range of 'events' including the following; which, is not meant as an exhaustive list.

Innovative projects involving the community. Such projects and their related activities must be properly managed and supervised and must have adequate safeguards in place:

- Estate or locality based event/activities designed to improve community cohesion;
- A one-off or periodic event of a sporting, artistic, recreational, cultural, or entertainment nature open to the community;
- A festival or celebratory event for the community;
- An event or activity designed to raise awareness of, or tackle and improve key issues within the local community;
- A community focussed event designed to mark a significant civic, historic or landmark occasion within a local, regional or national context;
- An event to improve the health, wellbeing and enjoyment of local residents who are experiencing hardship or exclusion; or,
- A fete or 'open-day' type event.

If the idea/proposal for which you want support is not covered by any of the above items, you may still be eligible for support.

Quality

- 4.10 In relation to both Community Chest and Community Event applications, quality is regarded as an extremely important factor. This is reflected in the assessment process where the **quality** of the application is evaluated

Application Assessment

- 4.11 In terms of process, a simple but effective assessment framework is used to test the quality of applications. Both Community Chest and Community Event applications are assessed against 5 areas as set out below.

Table 2 – Assessment Framework

	What the assessor is looking for in the application	Available Points
1	Clear description of the proposed activity - what the money will be used for	4
2	Clear demonstration of need/demand for the proposed activities, event or services	2
3	Clear account the expected benefits to service users, the organisation or the community at large	2
4	Clear and accurate breakdown of proposed expenditure	4
5	A clear account, by the applicant , as to why their proposal represents good value for money	2
Maximum available points		14

- 4.12 Details of the scoring applicable to the various elements of the application are clearly set out within the application form. Applicants are therefore aware of framework within which their proposal will be assessed.
- 4.13 On receipt of completed applications an initial assessment is carried out by the 'lead officer': this is the officer designated to take day-to-day responsibility for administering the particular funding strand.
- 4.14 The initial assessment has 4 primary functions:
- i. To evaluate the quality of the application by awarding scores in accordance with the frame work set out in table 2 above
 - ii. To identify any elements of the proposed expenditure which may be ineligible for funding or which appear to be excessive
 - iii. To propose an appropriate level of grant
 - iv. To identify any specific conditions which should be applied to any award of grant
- 4.15 There is also a 'moderation process' whereby the Service Manager will review the initial assessment in relation to each of the functions outlined above. The moderator may fully endorse all aspects of the initial assessment result or settle on mutually agreed revised findings as appropriate. This can be seen as a 'quality assurance' mechanism to ensure that proposals are awarded an assessment outcome which accurately reflects the quality of the application.
- 4.16 The moderated assessment outcome of applications is used to formulate a draft version of the report which is finalised by the Head of Service before being presented to the Corporate Grants Programme Board.

Approval Process

- 4.17 Once a report is finalised it is taken to the next scheduled meeting of the Corporate Grants Programme Board. The Board is made up of members and senior officers and is responsible for considering the officer's report before making a recommendation to the Mayor.
- 4.18 The Mayoral Decision Pro-forma, with the report stating the recommendations from the Corporate Grants Programme Board, is completed and signed off by the Corporate Director, Head of Legal and Head of Resources before going to the Mayor.
- 4.19 Once the Mayor has signed the Decision Pro-forma it, along with a report, is published on the Council website. There are 5 days for Overview & Scrutiny to Call-In the decision.

Grant Agreement Process

- 4.20 Once the grant award has been approved, a formal Grant Agreement needs to be negotiated and put in place. This document sets out the terms & conditions of the grant and the specific activities/services and outputs that the project will deliver.
- 4.21 The Grant Agreement is made up of several schedules in addition to the standard terms & conditions. These are:
- i. Schedule 1 - the Offer Letter: this sets out the project specific operational conditions including the agreed outputs and activities, the evidencing requirements, the payment process and the project monitoring and reporting requirements.
 - ii. Schedule 2 - this Recipients Application: this is a copy of original application submitted by the organisation.
 - iii. Schedule 3 - Funders Invitation: a copy of the Fact Sheet setting out the purpose of the fund, eligibility criteria and the application process that was posted to the Council website is included.
 - iv. Schedule 4 - Guidelines for the Collection of Equalities Data: this is only included for projects that are working with people/service users and sets out details of inform that needs to be captured for equalities monitoring purposes.
- 4.22 Because projects within this funding stream are not on-going 'service delivery' activities, the normal project monitoring arrangements are not appropriate. Organisations are therefore only required to provide a report on completion of the agreed funded projects/initiative. This is explained further within the final claim process outlined below.

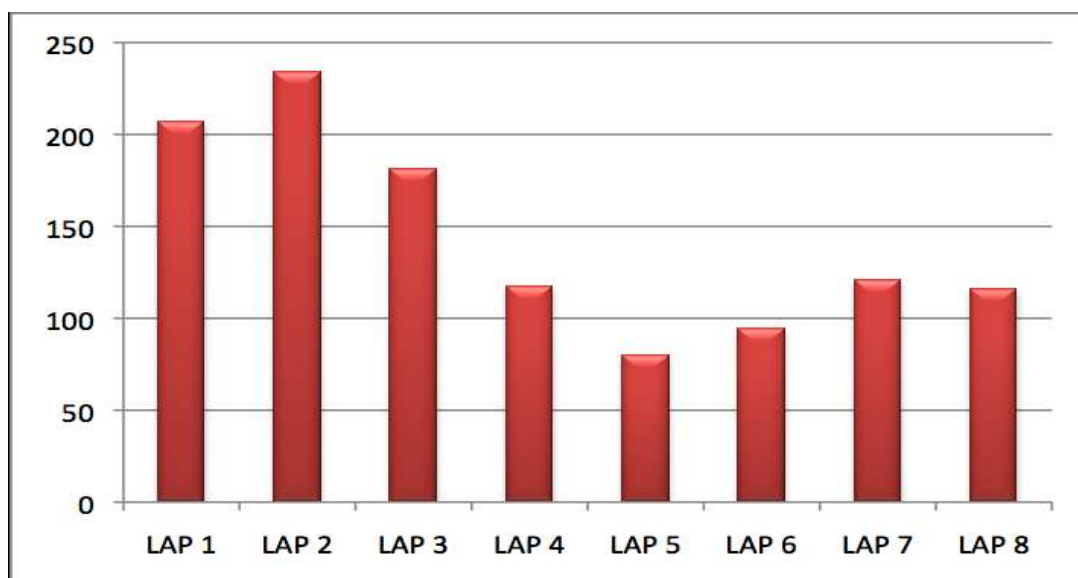
Project Payment Process

- 4.23 Under normal circumstances, for both Community Chest and Community Events projects/initiatives, 50% of the agreed award is paid to the organisation in advance (but this payment is made only after the Grant Agreement has been signed by both parties). It should be noted, that in special circumstances initial payments of up to 80% can be approved however this is very rare.

- 4.24 Organisations are required to use their own funds to complete the agreed activity/purchases and must then submit details and evidence of spend and activity before the remaining funds are paid. This is known as the 'Final Claim' process. In addition to providing evidence of defrayed expenditure, grant recipients are also required to submit a brief report clarifying "how the activity/service for which they have used the funds, has or will in the future, benefit the organisation and/or its service users".
- 4.25 An exception to paying in advance can happen when, due to delays in the process, an event takes place before the grant agreement is signed. If this happens then evidence of the event and spend is provided and the appropriate level of grant funding is paid in arrears.

Geographical Analysis

- 4.26 A 2010 IsosMORI survey identified 1,084 charities, voluntary groups and social enterprises (VCS Organisations) within the Borough; although the Council's own figures puts the figure slightly higher at 1,150. The bar chart below is taken from the Council's Voluntary and Community Sector Strategy and shows the geographical distribution of VCS organisations by LAP.



- 4.27 Comparing the number of applications received from each LAP with the spread of VCS organisations shows a similar pattern.
- 4.28 LAP 2 has received the most applications to the Community Chest (40/158) and the Community Events (25/107). The next two LAPs with the highest number of applications received also have the most VCS organisations, LAP1 with 26/158 to the Community Chest and 14/107 to Community Events and LAP3 with 28/158 to Community Chest and 18/107 to Community Events.
- 4.29 LAP1, LAP2 and LAP3 all lie on the western side of the borough close to Central London and transport hubs (such as Liverpool Street and Whitechapel) and has a large concentration of population. The VCS Strategy sites these factors plus previous funding patterns, for instance the City Challenge regeneration programme originally had a focus on Spitalfields, as reasons for the higher number of charities in this area.

- 4.30 The lowest numbers of applications come from LAP 5, 7/158 to the Community Chest and 6/107 to Community Events. This reflects the lower number of VCS organisations in this LAP as identified in the VCS Strategy.
- 4.31 The numbers of applications approved for funding generally reflect the number of applications received. For example, 25.32% of all applications received for the Community Chest came from LAP2 and 25.45% of all applications awarded funding came from LAP2.
- 4.32 It is difficult to determine beforehand how much funding should go to each LAP when the programmes rely on applications being received from all over the borough. The quality of the applications and what is being asked for also play a role in the decision. Even taking account of these factors the geographical spread is consistent with the spread of organisations across the borough as set out in the VCS strategy.
- 4.33 The following tables look at each LAP, the number of applications received and the number approved and declined.
- 4.34 Although not an exact match the % of grant awarded in each LAP correlates to the % of applications approved and conforms to the general outline of a higher number of organisations in LAP1, LAP2, and LAP3 and a lower number in LAP5 and LAP6.

Table 3: Community Chest – Round 1 – 3 analysis

LAP	No. of applications received	No. approved	No. declined	Grant Awarded	% of applications	% approved	% of grant awarded
1	26	20	6	£68,000	16.46	18.18	16.48
2	40	28	12	£126,500	25.32	25.45	30.65
3	28	20	8	£78,545	17.72	18.18	19.03
4	19	16	3	£51,775	12.03	14.55	12.55
5	7	3	4	£6,000	4.43	2.73	1.45
6	10	6	4	£25,500	6.33	5.45	6.18
7	17	13	4	£39,392	10.76	11.82	9.54
8	9	4	5	£17,000	5.70	3.64	4.12
Other	2	0	2	£0	1.27	0.00	0.00
Total	158	110	48	£412,712	100	100	100

Table 4: Community Events – Round 1 – 4 analysis

LAP	No. of applications received	No. approved	No. declined	Grant Awarded	% of applications	% approved	% of grant awarded
1	14	9	5	£18,500	13.08	11.54	10.23
2	25	20	5	£49,900	23.36	25.64	27.60
3	18	14	4	£37,950	16.82	17.95	20.99
4	12	12	0	£29,800	11.21	15.38	16.48
5	6	3	3	£4,000	5.61	3.85	2.21
6	8	3	5	£5,500	7.48	3.85	3.04
7	8	5	3	£12,150	7.48	6.41	6.72
8	8	6	2	£10,300	7.48	7.69	5.70
Other	8	6	2	£12,700	7.48	7.69	7.02
Total	107	78	29	£180,800	100	100	100

5. PRE-ELECTION GUIDANCE

5.1 Pre-election guidance is an extremely important matter which is applicable to all Council staff and services. The guiding principles are that:-

- Council resources may not be used to support any political campaign;
- The Council must not publish material that , in whole or in part, appears to be designed to affect public support for a political party or candidate; and
- During the pre-election period (i.e. in this case **from 14th April to 22nd May 2014**) a local authority.. ‘should not publish any publicity on controversial issues or report views or proposals in such a way that identifies them with any individual members or groups of members. Publicity relating to individuals involved in the election should not be published by local authorities during this period unless expressly authorised by or under statute...’ (Code of Recommended Practice on Local Authority Publicity, para 34 (extract)).

5.2 ‘Publicity’ is defined widely and may include events which provide a platform for any candidate at the election and/or where the subject matter is politically controversial or aligned to a particular party policy.

5.3 Any proactive events held by the Council that generate publicity must therefore be managed with care to avoid e.g. publicising photographs of candidates who are standing for election, or officers sharing a platform with members that could indicate support for a particular party’s policy.

5.4 Events which are arranged by external organisations but which are funded by the Council are covered by the restrictions in the same way as a Council-organised event, because any publicity arising from the event for a candidate would have been facilitated by Council resources.

5.5 In addition such events are covered by the restrictions if they take place during the pre-election period regardless of when the decision was taken to fund them.

5.6 In practical terms this means that in general, pro-active events of this nature should be avoided during the pre-election period. Where it is essential that they do take place, care must be taken to avoid attendance by, or publicity for, election candidates unless it is possible to achieve a balanced and equal input from all political parties/those involved in the election.

5.7 Events arranged by external organisations and funded entirely from a non-Council source are of course not covered by the restrictions in the Code of Recommended Practice.

6. COMMENTS OF THE CHIEF FINANCIAL OFFICER

6.1 This report outlines the processes and procedures that are in place to manage the awards process for Community Chest and Community Events grants.

- 6.2 Funding for the Community Chest and Community Events grants programme were set aside as part of the medium term financial plan to 31st March 2014. Reports considered by the Corporate Grants Programme Board contain financial comments to ensure that total grant awards are contained within the approved budgets. There are no additional specific financial implications arising from this report.

7. COMMENTS OF THE ASSISTANT CHIEF EXECUTIVE (LEGAL SERVICES)

- 7.1 The making of awards to facilitate community activities and events is an executive function which may be discharged by the Mayor.
- 7.2 In order for the Mayor to discharge the responsibilities appropriately there is a process through which the eligibility of community bodies is assessed and criteria specified against which the suitability of funding applications for community activities and events are assessed.
- 7.3 The code of recommended practice on local authority publicity provides guidance on the care to be taken during periods of heightened sensitivity such as pre-elections. The details in section 5 of the report are an accurate summary of that guidance.
- 7.4 There are no other immediate legal implications arising from this report.

8. ONE TOWER HAMLETS CONSIDERATIONS

- 8.1 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.
- 8.2 The opportunities offered through the Community Chest and Community Events Funds therefore play a key role in delivering the aims of One Tower Hamlets.

9. APPENDICES

- 9.1 The following appendices form part of this report:

Appendix 1: Community Chest Project Information Report

Appendix 2: Community Events Project Information Report

Appendix 3: Maps and associated information for Community Chest (A3 document supplied separately)

Appendix 4: Maps and associated information for Community Events (A3 document supplied separately)

Appendix 5: Application Form