


Individual Mayoral Decision Proforma Decision Log No: 60	 TOWER HAMLETS
Report in response to a recommendation to the Executive Mayor by the Corporate Grants Programme Board held on the 16th May 2014	Classification: Unrestricted
Title: MSG funding application for the Boishakhi Mela	

Is this a Key Decision?	Yes
Decision Notice Publication Date:	27 MAY 2014
General Exception or Urgency Notice published?	N/A
Restrictions:	—

EXECUTIVE SUMMARY

1. Request for Advice / Recommendation

The Mayor is advised by the Corporate Grants Programme Board to :

- Approve the grant of £100,000 to the Boishakhi Mela Community Trust (BMCT / Trust) to enable the Trust to deliver a successful Mela in 2014 at Victoria Park.
- Require that officers draw up a proposed phased payment approach to the grant funding taking into account the formula agreed in 2013 and also the successful completion of the independent audit of the 2013 event

The Mayor is therefore advised to:

- Delegate to the Monitoring Officer, in consultation with the Acting Corporate Director, Resources, arrangements for making phased payments to the Trust

2. Background Information

- 2.1 The Boishakhi Mela event was run by the Council from 2008 to 2011. Prior to this it had been delivered by community based organisations. The delivery of the Boishakhi Mela was tendered out from 2012 for a period of up to 9 years. The Boishakhi Mela Community Trust won that tender process and the broad intention was that there would be continued but tapering support for the trust from the Council over the

period of the tendered period. Financial support would be considered via the standard MSG application process. The approach taken to the Mela outsourcing is set out in the Cabinet Report of the 3rd August 2011.

- 2.2 The Corporate Grants Programme Board met on the 16th May 2014 to consider an application for MSG funding for the Boishakhi Mela. The assessment of the application by the Boishakhi Mela Community Trust and relevant context is summarised in the report attached to this form.
- 2.3 The Board has no executive authority to make decisions and can only make informed recommendations to the Mayor who can either agree or reject the recommendation when making the formal executive decision. This Decision proforma is presented to the Mayor in order to present clearly the recommendations of the Board and the considerations taken in to account when reaching their conclusions. In that regard a summary of the officers' assessment is attached.

3. Comments of the Chief Financial Officer

- 3.1 Cabinet agreed at its meeting of 3rd August 2011 to return the Baishakhi Mela to community management from 2012 onwards, run by a not-for-profit trust, and that the Council would provide financial support towards the parade to be allocated through the Council's mainstream grants awards process. As this is a cultural event, then it falls within the remit for assessment and monitoring as per the existing Arts, Sports and Environmental Services MSG programme.
- 3.2 Although the application process was not part of the Main 2012-15 MSG programme, Cabinet in June 2012 agreed the following provision for further appropriate support to third sector organisations:
 - That the funds identified ...be combined to create another Mainstream Grants Fund of £0.954 million.
 - That the secondary Mainstream Grants Fund be used for the same funding priorities as the existing Mainstream Grants Fund.
- 3.3 This assessment follows from the similar award to the Boishakhi Mela Community Trust of £170,000 to deliver the 2013 event at Victoria Park.
- 3.4 The additional Mainstream Grants Fund was set aside as an earmarked reserve and has subsequently been utilised in accordance with decisions both of Council (as part of the 2013/14 budget) and the Mayor, in accordance with the March 2012 Mayor in Cabinet decision that all awards over £1,000 are made by the Mayor under his executive powers.

- 3.5 The recommendation, as considered by the Corporate Grants Programme Board is to award £100,000 to support the Trust in delivering the 2014 Mela, and that officers draw up a suitable phased payment mechanism taking account the formula agreed in 2013 and outcome of the independent audit of the 2013 Mela accounts. That will be determined by officers following receipt of appropriate cashflow and invoice evidence to demonstrate the need for payment. The recommended award is significantly lower than the application request, and last year's award.
- 3.6 There are sufficient resources from this one-off reserve available to provide for the recommended £100,000 to support the Mela 2014.
- 3.7 Subject to Mayoral approval, the recommended award of £100,000 will be transferred to the Arts and Events third party payments budget held within Communities, Localities and Culture.
- 3.8 The report seeks approval to a phased payment plan to be agreed. This is prudent given the independent audit of the organisation's 2013 financial accounting processes has yet to be concluded. This was a condition of the Mayoral Executive decision of 25th April 2013. The purpose of the annual audit is to review the financial claim made by the Trust and to satisfy the authority that the appropriate governance arrangements are in place to provide reasonable assurance over the management of the Boishakhi Mela. Further an independent panel established to review all matters relating to the Trust, would receive and raise recommendations in relation to the audit findings.
- 3.9 The claim from the Trust for the Mela run in May 2013, was received in full in March 2014. Consequently although the audit has begun, the auditors have not reported their findings and the independent panel has not had an opportunity to assess the findings and raise any recommendations. Any payments made to the trust prior to the completion of the audit report could present a financial risk to the authority, in so far as the audit findings may reduce eligible expenditure payable to the Trust for the running of the Mela.
- 3.10 The Trust will need to provide evidence that Council funds have been used in compliance with Council contracting procedures and evidence to demonstrate no subsidy from public provided funds to support commercial activities relating to the Trust or Mela, and further adhere to the contractual requirements regarding record keeping, accounting and independent audit.

4. Legal Comments

- 4.1 It is proposed to provide a grant of £100,000 from the MSG 954 budget to support delivery of the 2014 Mela by Boishakhi Mela Community

Trust Ltd. The proposed grant may be supported under a variety of the Council's statutory powers.

4.2 The Council has power under section 145 of the Local Government Act 1972 relevantly to do, or arrange for the doing of, or contribute towards the expenses of the doing of, anything (whether inside or outside Tower Hamlets) necessary or expedient for any of the following purposes –

- The provision of entertainment of any nature in Tower Hamlets
- The development or improvement of the knowledge, understanding and practice of the arts and the crafts which serve the arts.

4.3 The Council is required by section 507B of the Education Act 1996 to secure sufficient educational and recreational leisure-time activities for young people in Tower Hamlets.

4.4 Section 1 of the Localism Act 2011 gives the Council a general power of competence to do anything that individuals generally may do, subject to specified restrictions and limitations imposed by other statutes. This general power of competence may support the giving of grants to community groups, provided there is a good reason to do so.

4.5 There may be a good reason for giving a grant if it is likely to further the Council's sustainable community strategy under section 4 of the Local Government Act 2000, which is contained within the Tower Hamlets Community Plan. The report identifies that the Mela is popular but questions:-

4.5.1 whether it is value for money;

4.5.2 whether the cultural content is of sufficient quality; and

4.5.3 whether it promotes the One Tower Hamlets objective in the Community Plan.

The Mayor will need to take these concerns into account and give serious consideration to whether there remain good reasons for supporting the event, having regard to the Council's statutory powers. Although the report raises concerns it nevertheless appears to conclude that there are some strong reasons for continuing to provide some support to the event.

4.6 A grant decision will be a key decision under Article 13.03 of the Council's Constitution if either or both of the following conditions is met: (1) it involves significant expenditure having regard to the Council's budget for the service or function in question (the financial test); or (b) it will have a significant effect on communities living or working in an area comprising two or more wards in the borough (the community impact test). Key decisions require 28 days' forward planning in accordance with the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012. In this instance

the grant amounts to more than 10% of the MSG 954 budget but just over 1% of the mainstream grants fund. It may be considered, however, that this is a large cultural event which will have a real (as opposed to insignificant) effect on people across the whole borough and may be considered to meet the community impact test.

- 4.7 The Council and the grantee must ensure that the grant is used solely for the purposes for which it is intended and in any event the sum granted must not include any sums in respect of profit for the grantee. If it can be shown that any sum included in the grant has led to a profit this amounts to either state aid or commercial activity. It should be noted that the audit for the 2013 Mela has not yet been concluded and consequently if the audit identified a significant weakness in the financial governance there is a risk that any sum awarded might not achieve most advantageous use. The proposal to implement a phased payment plan may mitigate the risk somewhat.
- 4.8 Paragraph 34 of the Code of Recommended Practice on Local Authority Publicity provides that during the period between the notice of an election and the election itself, local authorities should not publish any publicity on controversial issues or report views on proposals in such a way that identifies them with any individual members or groups of members. Clearly an individual Mayoral Decision would identify with the Mayor seeking re-election in a few days' time and in those circumstances the Council should not issue any publicity about this decision other than the publication of the decision as required by law.
- 4.9 When deciding whether to make a grant to support the Mela, the Council must have due regard to the need to eliminate unlawful conduct under the Equality Act 2010, the need to advance equality of opportunity and the need to foster good relations between persons who share a protected characteristic and those who don't. The Board considered that issue and accepted that since there had been no Equality Impact Assessment in the previously approved similar application, none was required in respect of this application..

APPENDICES:

1. Application Form: Boishaki Mela Community Trust
2. CLC Department Comments on above Application.
3. Minutes of 16 May 2014 Meeting of Corporate Third Sector Grants Programme Board
4. Chair of Board's Record of Recommendation

APPROVALS

1. Proposed decision recommended by the Corporate Grants Board Chair

I approve the proposed decision above for submission to the Mayor.

See Appendix 4

2. Chief Finance Officer or his/her deputy

I have been consulted on the content of the attached report which includes my comments.

Signed  Date 25/6/14

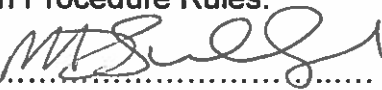
3. Monitoring Officer

I have produced the attached report.

For Key Decision only –


I confirm that this decision:-

- (a) has been published in advance on the Council's Forward Plan OR
- (b) is urgent and subject to the 'General Exception' or 'Special Urgency' provision at paragraph 18 or 19 respectively of the Access to Information Procedure Rules.

Signed  Date 25/6/14

4. Mayor

I agree the decision proposed in paragraph 1 of the attached report for the reasons set out in the Executive summary.

Signed  Date 09/7/14