


<b>Commissioner Meeting</b> 11 March 2015	 <b>TOWER HAMLETS</b>
<b>Report of:</b> Chris Holme, Corporate Director of Resources	<b>Classification:</b> Unrestricted
<b>Best Value Action Plan for Grants</b>	

<b>Originating Officer(s)</b>	Louise Russell
<b>Wards affected</b>	All wards
<b>Community Plan Theme</b>	<b>All</b>
<b>Key Decision?</b>	Yes

### **Executive Summary**

This report presents the Council's Best Value Action Plan for Grants to the Commissioners for approval. The Council is required to agree a Best Value Strategy and Action plan to respond to the Secretary of State's Directions of 17 December 2015 within 3 months of the Directions. As responsibility for Grants under the Directions passed to the Commissioners, the Commissioners are being asked to approve this section of the Plan

### **Recommendations:**

The Commissioners are recommended to:

1. Approve the Best Value plan in relation to Grants

## **1. REASONS FOR THE DECISIONS**

- 1.1 The Council is required to agree this Plan with Commissioners to comply with Secretary of State Directions.

## **2. ALTERNATIVE OPTIONS**

- 2.1 The Council is required to comply with Secretary of State Directions.
- 2.2 The actions within the plans have been the subject of consultation with a range of parties and the Commissioners which has considered alternative options.

## **3. DETAILS OF REPORT**

- 3.1 The Directions issued to LB Tower Hamlets on 17 December 2014 require: *'Within 3 months from the date of these Directions [ie 17 March 2015] to draw up and agree with the Commissioners a strategy and action plan for securing the Authority's compliance with its best value duty (to include as appropriate complying with the specific directions set out below and putting in place robust and transparent arrangements for grant decisions), and to submit this to the Secretary of State.'*
- 3.2 One area where a best value plan was required was to respond to the issues raised in the Price Waterhouse Cooper best value inspection in respect of grants. The Council has also received a number of internal audit reports in relation to grants monitoring which were reported to the Audit Committee in February 2015 and their recommendations are also addressed in the best value plan.
- 3.3 The Grants Action Plan is a Commissioner function and therefore is solely a Commissioner decision though as part of its development, the Plan has where appropriate been informed by local consultation, for example elected members and third sector organisations have been consulted about proposals. The Commissioners have undertaken to enable further consultation and cross- party member input in relation to progressing the key actions within the plan as they are developed.

## **4. COMMENTS OF THE CHIEF FINANCE OFFICER**

- 4.1. The Mayor, in Cabinet, is asked to consider the attached best value action plan pertaining to grants. This is required in order that the Council complies with the specific direction, issued by the Secretary of State set out in paragraph 3.1.

- 4.2 The proposed actions primarily involve processes and procedures to ensure the Council is able to demonstrate compliance with its duty of best value, and as such have no significant financial implications. As part of these there are also some proposals to amend management and administrative arrangements, however these will be contained within existing budgets.

## **5. LEGAL COMMENTS**

- 5.1. The Council has a duty to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness by virtue of section 3 of the Local Government Act 1999. This is known as its Best Value Duty.
- 5.2. Under sections 15(5) and 15(6) of the Local Government Act 1999 the Secretary of State for Communities and Local Government issued legally enforceable directions in order to ensure that the Council complies with its obligations under part 1 of the Local Government Act 1999.
- 5.3. Action 1 to be taken by the Council in respect of the Directions (as stated in Annex A to the Directions) the Council is to agree a plan with the Commissioners to ensure the compliance by the Council with the remainder of the directions. This is the nature of the Best Value Action plan which is under consideration.
- 5.4. As a local authority, the Council has a duty under domestic and European law to act in a way which is fair open and transparent in respect of the carrying out of all its statutory functions. Therefore in the areas of grants it is necessary for the Council, or the Commissioners acting on its behalf, to demonstrate that the public at large has a fair and even chance of obtaining the money (in respect of grants) which the Council is making available. Generally this requirement means that there must be some sort of fair and open application procedure where applications are all measured against clear and transparent criteria with the final decisions being based upon the evaluation of applications against the set criteria.
- 5.5. The Council is required to consult for the purposes of deciding how to fulfil its best value duty. This obligation was the subject of consideration in the case of *R (Nash) v Barnet LBC*. Some guidance was given in the High Court to the effect that it is not every time an authority makes a makes a particular operational decision, by way of outsourcing or otherwise, that it is required by section 3 to consult about that decision. The High Court thought that consultation about “the way in which” it performs its functions connotes high-level issues concerning the approach to the performance of an authority's functions.
- 5.6. Consideration will need to be given to whether any of the proposed actions (e.g. adoption of a new MSG framework) would need to be consulted upon.
- 5.7. The Council has an Equality Duty under section 149 of the Equality Act 2010 to ensure that it eliminates discrimination between people who have a

protected characteristic (as defined under the act) and those who do not and to promote equality and fair treatment between people who have a protected characteristic and those who do not. It is unlikely that the Best Value Action plan itself will give rise to any significant equality impacts, but further consideration should be given to the impacts of each action before they are implemented.

- 5.8. The Council also has a duty to ensure that organisations are not discriminated against by the Council's processes. For example, ensuring that grant criteria are fair and do not either favour nor disfavour any group, company or individual.

## **6. ONE TOWER HAMLETS CONSIDERATIONS**

- 6.1 The Council needs to deliver its functions, including in relation to those elements transferred to the Commissioners through Direction, with due regard to equality and the need of groups with protected characteristics. Changes to the way in which the Council awards grants and publicises its activity has the potential to impact on equality and cohesion in the borough. Any significant policy changes emerging from the action plan will be subject to an equality impact assessment.

## **7. SUSTAINABLE ACTION FOR A GREENER ENVIRONMENT**

- 7.1 No specific environmental implications.

## **8. RISK MANAGEMENT IMPLICATIONS**

- 8.1. Agreeing and delivering the actions within the Plans will mitigate risks to the Council in delivering best value in respect of grants, property and procurement decisions.

## **9. CRIME AND DISORDER REDUCTION IMPLICATIONS**

- 9.1 No specific crime and disorder implications.

## **10. EFFICIENCY STATEMENT**

- 10.1 Through ensuring the Council meets its best value duty, the plans will improve efficiency and effectiveness of the key functions covered within them.

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## **Linked Reports, Appendices and Background Documents**

### **Linked Report**

- NONE.

### **Appendices**

## **1. Grants Action Plan**

**Background Documents – Local Authorities (Executive Arrangements)(Access to Information)(England) Regulations 2012**

NONE

**Officer contact details for documents:**

- Louise Russell, Service Head, Corporate Strategy and Equality