


<b>Commissioner Decision Report</b> 22 April 2015	 <b>TOWER HAMLETS</b>
<b>Report of:</b> Chris Holme, Acting Corporate Director Resources	<b>Classification:</b> Unrestricted
<b>Tower Hamlets Council for Voluntary Services 2012-15 Funding Extension</b>	

<b>Originating Officer(s)</b>	Everett Haughton
<b>Wards affected</b>	All Wards
<b>Key Decision?</b>	Yes
<b>Community Plan Theme</b>	<b>One Tower Hamlets</b>

## Executive Summary

Funding to support the work of the Tower Hamlets Council for Voluntary Services (THCVS) was approved by Cabinet on 14 March 2012 as part of the report which considered the 2012/15 Main Stream Grants Commissioning and Governance Arrangements.

The 2012/15 Main Stream Grants programme which was originally scheduled to end on 31 March 2015 has recently been extended for 5-months to the end of August 2015. Individual projects within the programme have been extended for up to the maximum of 5-months depending on their performance rating as at 31 December 2014.

The work of the THCVS, which following the December Performance Monitoring exercise was ragged Green, needs to continue in order that they are able to provide assistance to the Council in supporting the Third Sector at large to understand and respond to the call for applications to the 2015/18 MSG Programme.

## Recommendations:

The Commissioners are recommended to:

1. Approve an extension of 5 months for the THCVS totalling an amount of up to £83,000.
2. Note the draft work plan as set out in (Appendix A) which sets out a range of activities and outputs from 1st April to 31st August 2015 – the precise work programme of which will be agreed as part of the grant negotiation process.

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

- 1.1 The decisions are required in order that the Council is able to enter into a new grant agreement with the Tower Hamlets Council for Voluntary services for the provision of support to local organisations and in particular, those needing support and assistance in understanding and submitting applications to the new MSG Programme.

## **2. ALTERNATIVE OPTIONS**

- 2.1 If proposals for the extension of the contract and work programme are not agreed, other options are outlined below.
- a) All required support to the third sector at large in relation to the new MSG programme to be provided solely by officers of the council.
  - b) To consider allocating this work to an alternative Third Sector Agency.

## **3. DETAILS OF REPORT**

### **Background**

- 3.1 The current allocation of funding to Tower Hamlets CVS was approved by Cabinet on 14 March 2012. The approval was to top-slice the overall MSG budget in order to “fund the CVS over the next 3 years to provide cross-sector development and support to local voluntary and community sector groups”.
- 3.2 The funding allocated to the CVS was £200,000 per year.
- 3.3 The CVS has been contracted to undertake a comprehensive annual schedule of work as part of the MSG 2012/15 programme as outlined in the following table.

<b>Area</b>	<b>Activity/Achievement</b>
Open Programme of short courses	52 courses held
Events	13 events held for the sector
In-depth Tailored Organisational Development	40 organisations benefitted from bespoke support
Half-Day Course Modules (linked to tailored support in 2014/15 only)	2 courses held
Quality Assurance -Capacity building (only in 2014/15)	2 workshops held
Development Support - Demand led service	424 organisations supported
Resources pack bulletins	5 bulletins produced

Area	Activity/Achievement
Membership Services	183 members sustained to date
Information: E-bulletins, updates, newsletters	Minimum of 21 e-bulletins/newsletters
Database development	Database developed and 1627 organisations on Third Sector database
Directory	Directory developed and 1141 organisations published in the directory.
Premises Directory	Premises directory developed and 111 premises published.
Website	New website developed and fully functional
Forums	Service and/or supported 4 forums / steering groups per annum
Strategic partnerships	Leading and co-ordinating VCS voice & representation of 9 key themes

### Going forward

- 3.4 Very similar work to the above will be required during the coming months in order that continued core support services can continue to be provided to the third sector at large.
- 3.5 Additionally, as we move into a key period of developing and launching the 2015/18 MSG Programme, there is an increased requirement for the Council and THCVS to work in partnership providing advice, guidance and indeed very practical support to front line delivery groups who want help with their applications.
- 3.6 Attached at **Appendix 1** is a draft work plan which sets out a range of activities and outputs from 1st April to 31st August 2015 – the precise work programme will be agreed as part of the grant negotiation process. However, it is envisaged that a large part of the planned CVS work over the coming months will be supporting VCS organisations who wish to apply for the new MSG programme as well to the small grants programme. In particular this will focus on supporting smaller groups with limited resources and / or little experience in making funding applications.
- 3.7 The CVS will also be required to develop links between organisations that may require partner(s) in order to provide a 'brokerage' type service.
- 3.8 In terms of the core work of the CVS, it is important to have an understanding of the key areas in which it will continue to provide those professional services to the sector. This includes organisational development support, tailored training activities.

- 3.9 THCVS plays a unique role in the development of capability and on-going sustainability within the VCS in Tower Hamlets, working across the whole sector to enable organisations to better support their local communities.
- 3.10 If the extension is approved the CVS will carry out a range of important work over the 5 month period which can be summarised as follows
- Organisational development
    - Diagnosis and in-depth tailored support
    - Quality assurance – capability building
    - Responsive organisational development support
    - Specific advice to organisations applying to the LBTH MSG and small grants programmes
  - Training and events
    - Open programme of short courses and events
    - Liaison and networking events
  - Resources and Information
  - Membership development
  - Forums and representation
  - Strategic partnerships and influence
  - VCS strategy action plan

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

- 4.1 Following agreement by the Commissioners, the 2012-2015 Mainstream Grants programme was extended to 31 August 2015 in order to prevent a gap in provision while the new 2015-18 programme is developed.
- 4.2 The annual approved budget for the Mainstream Grants programme for 2015-16 is £3.078 million. Commitments entered into during this period will have first call against the 2015-16 budget and will be taken into account when assessing the resources available for the remainder of the programme.
- 4.3 To reflect the five month extension, this report seeks to award a corresponding extension to the contract with the Tower Hamlets Council for Voluntary Services (THCVS) to continue to provide support to the Third Sector for this period. The cost of the extension will be approximately £83,000, based on a full year cost of £200,000. These charges will be funded from the approved administration costs budget that has been ‘top-sliced’ from the Mainstream Grants budget.
- 4.4 At the end of the extension period, arrangements will need to be agreed as part of the Mainstream Grants process to support organisations over the remaining period of the programme to the end of the 2017-18 financial year.

## **5. LEGAL COMMENTS**

- 5.1. The power of the commissioners to make decisions in relation to grants arises from directions made by the Secretary of State on 17 December 2014 pursuant to powers under sections 15(5) and 15(6) of the Local Government Act 1999 (the “Directions”). Paragraph 4(ii) and Annex B of the Directions together provide that, until 31 March 2017, the Council’s functions in relation to grants will be exercised by appointed Commissioners, acting jointly or severally. This is subject to an exception in relation to grants made under section 24 of the Housing Grants, Construction and Regeneration Act 1996, for the purposes of section 23 of that Act (disabled facilities grant).
- 5.2. To the extent that the Commissioners are asked to approve a 5 month extension to an existing grant agreement to the Tower Hamlets Council for Voluntary Services, this is an executive function of the Council. This is the effect of section 9D(2) of the Local Government Act 2000, in the absence of a contrary specification in the Local Authorities (Functions and Responsibilities) (England) Regulations 2000.
- 5.3. The proposed grant may be supported under a variety of the Council’s statutory powers, depending upon the outcomes achieved and the activities supported.
- 5.4. 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 statute. As individuals may provide financial support to third sector agencies, the general power may support the giving of a grant to such an organisation, provided there is a good reason to do so and provided there is no statutory prohibition on doing so (which generally there is not). 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, set out in the Community Plan, or one of the Council’s related strategies such as the Third Sector Strategy (paragraph 6.1 refers). Information is set out in the separate Main Stream Grants 2015/18 Programme report as to the connection between the theme specifications and the Council’s relevant strategies and the continued financial support to CVS may support both.
- 5.5. By virtue of section 111 of the Local Government Act 1972, the Council has power to do anything which is calculated to facilitate, or is conducive or incidental to, the discharge of any of its functions. This may involve expenditure, borrowing or lending of money or the acquisition or disposal of any property or rights. This incidental power may support some grants in relation to supporting the development of the third sector.
- 5.6. When considering whether or not to make funds available for the purposes specified, the Council should consider whether or not this will be consistent with its best value arrangements. The Council is obliged as a best value authority under section 3 of the Local Government Act 1999 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” (the Best Value Duty).

- 5.7. Part of complying with the Council's Best Value duty is ensuring that the Council obtains value for money. Paragraph 3.1 of the report refers to the original approval to engage CVS by Cabinet on 14 March 2012 for a period of "3 years to provide cross-sector development and support to local voluntary and community sector groups". Though it is silent on the process followed, if any, to select CVS in 2012 the Commissioners may consider that it is now uniquely placed to deliver this service for the period of 5 months given its involvement for the last 3 years.
- 5.8. The Council must operate a fair and open application procedure to process a request to obtain funding. Requests for grant funding should ordinarily be measured against a predetermined set of criteria and the criteria themselves must be fair and transparent. However, as the request is for a 5 month extension to an existing arrangement established 3 years ago, with a pro-rata payment to be made based on the previous funding, the Commissioners may consider that adhering to a fresh selection process in the circumstances is not feasible. It is understood that any further funding of the CVS will need to be the subject of a grant application under the proposed mainstream grants programme, should that proceed.
- 5.9. The grant agreement (or extension thereof) should include a clear monitoring process against defined parameters in order for the Council to demonstrate either: that delivery is in line with the application and, therefore, the grant achieved its purpose; or provide clear delineation where outcomes were not achieved and the reasons for such failure are apparent. Monitoring should therefore include measuring performance against the expected outcomes set out at paragraph 3.3 and the draft Work Plan contained within Appendix 1.
- 5.10. One of the key distinctions between a commissioned grant and a procured service is the removal of a profit element. Where a grant purports to include profit then it is likely to cease to be a grant and is seen as procurement activity. In the event that a grant is deemed to be procurement activity then the Council would need to comply with its legal obligations in relation to public procurement. This would include compliance with the Council's Procurement Procedures, as part of discharging its Best Value Duty and complying with the applicable requirements of the Public Contracts Regulations 2015. For these reasons it is important that the appointment of CVS to support the Council in administering the MSG programme does not include a profit element. The Council should be assured that the level of grant to be paid to CVS relates to the specific parts of the project for which funding is being requested (e.g. payment of staff wages, or overheads and utilities etc.) rather than paying an invoice to provide "a service". This allows the Council to determine that payments are on an "as cost" basis and do not include profit and also to clearly see whether or not there are sums to be reclaimed by the Council at the end of the project.
- 5.11. When determining what support to provide to third sector agencies such as CVS, 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 public sector equality duty). There is some information in section 6 of the report relevant to this consideration.

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

6.1 The work of the CVS contributes to delivering One Tower Hamlets objectives and priorities and which are explicitly recognised in the Council's Third Sector Strategy which is a key area of work for the organisation. The CVS also plays a key role in delivering services that address inequality, improve cohesion and increase community leadership.

6.2 It should be understood that the primary purpose of the CVS is to support the development and sustainability of the front-line organisations that provide services for local residents. These services include specialist legal advice, employment skills development and supporting elders to deal with mental and physical health issues.

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

7.1 Not applicable.

## **8. RISK MANAGEMENT IMPLICATIONS**

8.1 A number of different risks arise from any funding of external organisations. The key risks are:

- The funding may not be fully utilised i.e. allocations remain unspent and outcomes are not maximised
- The funding may be used for purposes that have not been agreed e.g. in the case of fraud
- The organisations may not be able to secure additional funding necessary to deliver the agreed activities
- The organisation may not in the event have the capacity to achieve the contracted outputs/outcomes

8.2 To ensure that risks are minimised in this instance, the organisation will be required to comply with the standard Grant Agreement terms. There will also be appropriate renegotiated performance targets to be met and the evidence required.

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

9.1 The organisations supported by the CVS cover a broad spectrum of activities and services some of which are key drivers in contributing to the reduction in crime and disorder; these include:

- Improving community cohesion
- Getting people into employment
- Providing timely advice and advocacy

- Supporting 'at risk' individuals

## **10. EFFICIENCY STATEMENT**

- 10.1 The commissioning framework for the 2012/15 MSG Programme provided transparency and clarity in the delivery of desired outcomes along with cost of providing those outcomes to facilitate more efficient alignment of funding allocations.
- 10.2 The funding priorities which are were set out within Grant Specifications clearly linked to delivering outcomes as set out in the Strategic Plan and Community Plan as a mechanism to deliver better outcomes for local people within available resources. Through for example giving priority to projects that promote social inclusion; and, supporting service providers who deliver cost effective services that focus on benefit the local community and meeting the expressed needs of local people.

## **11. SAFEGUARDING IMPLICATIONS**

- 11.1 As part of the application process organisations will be required to provide details of their safeguarding policy if appropriate. The Grant Agreement that funded organisations enter into as part of the MSG process commits them to complying with a number of requirements in relation to safeguarding.
- 11.2 If the organisation provides services to persons under 18 or to vulnerable adults and employs staff or volunteers in a position whose duties include caring for, training, supervising or being responsible in some way for children or vulnerable adults or who have access to records or information about any of these types of individuals, the organisation must ensure that all such staff and volunteers receive an Enhanced Check For Regulated Activity for the purposes of the Protection of Freedoms Act 2012 (Disclosure and Barring Service Transfer of Functions) Order 2012 before such staff and volunteers commence relevant activities.

---

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

### **Linked Report**

- None

### **Appendices**

- None

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

- None

### **Officer contact details for documents:**

- N/A