Commissioner Decision Report 22 April 2015		
Report of: Acting Corporate Director Resources		**Classification:** Unrestricted
Main Stream Grants 2015/18 Programme		

Originating Officer(s)	Dave Clark and Everett Haughton
Wards affected	All wards
Key Decision?	Yes
Community Plan Theme	**All**

EXECUTIVE SUMMARY

The Council's Mainstream Grants (MSG) Programme has been one of the Council's main funding sources for third sector organisations within the borough for many years. The programme in its current form, has been in operation since 2009 delivering over two three years rolling cycles, 2009 to 2012 and 2012 to 2015.

The 2012 to 2015 cycle was due to end on 31st March 2015, however, due to a number of factors the council was unable to launch the new MSG programme (2015 to 2018) in time for the 1 April start date. A five month extension was agreed, by the Commissioners for existing grant recipients that met a set of agreed criteria.

The 2015 to 2018 MSG Programme will start on 1st September 2015. This report proposes the service specifications, which will be used to commission services, the process and timetable for implementation.

The 2015-18 MSG programme has been designed with the following aims:

a) Assuring a fair spread of resources across four defined ward clusters covering the borough.
b) Needs analysed and resources prioritised and targeted within each ward cluster, based on Super Output Area analysis.
c) Strategic grants commissioning of projects within each of these ward clusters, with delivery based on lead providers and hubs where appropriate.
d) Achieving closer synergies and cross-referral between funding streams so that funded projects add value to each other.
e) An emphasis on plugging gaps where mainstream resources have been reduced and funding proposals based on lessons from the past.

The report also sets out new corporate governance arrangements for approving, monitoring and reviewing all Third Sector Grants programmes across the Council.

<u>RECOMMENDATIONS</u>

The Commissioners are recommended to:

1.   Note the Funding Framework as set out in Appendix 1

2.   Agree the proposed structure of the 2015/18 MSG Programme as set out in paragraphs 3.36 and 3.37

3.   Agree the Programme budgets and top-slice proposals as set out in paragraphs 3.38 to 3.40

4.   Note the redirection of the Early Years Services budget as outlined in paragraphs 3.41 and 3.42

5.   Approve the Theme Specifications as set out in Appendix 2.1, 2.2, 2.3, 2.4 and 2.5

6.   Note the approaches and benefits to the new programme as summarised in paragraph 3.44

7.   Note the application and assessment process as outlined in paragraphs 3.49 to 3.55

8.   Approve the application form as set out in Appendix 3

9.   Approve the assessment protocol as set out in Appendix 4

10.   Approve the proposed match funding requirements as set out in paragraph 3.56

11.   Note the detailed Equality Assessment information as set out in Appendix 5

12.   Note the project and programme management monitoring and evaluation arrangements as outlined in paragraphs 3.74 to 3.79

13.   Approve the guiding principles and governance arrangements as set out in Appendix 6

14.   Approve the extension of the grant application period from 5 to 6 weeks as set out in paragraph 3.83

1.   <u>REASONS FOR THE DECISIONS</u>

1.1   The decisions are required in order that the Council is able to launch the 2015/18 Main Stream Grants Programme and progress the arrangements as appropriate.

2.   ALTERNATIVE OPTIONS

2.1   If proposals for the new programme are not agreed, other options are outlined below. If a different approach is to be taken, then this may need to be the subject of further equality analysis.

a)   agree other approaches to procurement of services that support the most vulnerable residents of the Borough

b)   Reduce the rolling programme timeline, which is currently 3 years

3.   BODY OF REPORT

Background

3.1   There have been very few changes within the MSG programme over the last 6 years. A number of issues and weaknesses were identified by PriceWaterhouse Coopers as part of their best value inspection, across the programme. For example there has been an imbalance in the spread of provision across wards with evidence of over-provision and duplication in some areas whilst there has been under-provision in others.

3.2   Additionally, in some funding streams resources have been spread too thinly across too many projects; this affects their ongoing viability as well as the quality and impacts of services delivered. Within some funding streams, evidence shows that services are fragmented with a lack of integration and cross-referral between projects: this is clearly not in the best interest of service beneficiaries – local residents for whom the services are provided.

3.3   In December 2013 the Corporate Grants Programme Board were presented with a report on proposals for the development of the "New" MSG programme, including an indicative timeline. Initial discussions within D&R's Third Sector Team during the financial year 14/15 explored initial ideas of consolidating the multi-funding stream approach of the current MSG Programme in an effort to provide a clearer client-focused approach.

3.4   Subsequent to those discussions, officers have been working in partnership with MSG Service Managers in other directorates together with key individuals from the local voluntary and community sector including representatives from the Third Sector Advisory Board and the Chief Executive of Tower Hamlets Council for Voluntary Services (THCVS).

3.5   A formalised 'MSG Review Group' was established to develop and progress proposals for the new MSG Programme.

Findings of the Review Group

3.6   Whilst all of the current funding streams are achieving useful benefits, there was however a number of issues and weaknesses that have been identified across these funding streams. For example there have been imbalances in the spread of provision across wards with evidence of over-provision and duplication in some areas and under-provided services in others.

3.7   In some funding streams resources have been spread too thinly across too many projects. This affects their viability and the quality and impacts of services delivered. In many of the funding streams services are fragmented with a lack of integration and cross-referral between projects.

3.8   Recent and anticipated Government austerity reductions mean that the Council is having to review its funding, and discretionary services in particular may be subject to future reductions. Since the protection of the quality of front line services is a fundamental principle for the council, we must continue to explore innovative ways in which to continue to deliver quality services with fewer resources.

3.9   In this context, the local Third Sector can be called upon to work efficiently and effectively in partnership with the Council to address agreed needs and priorities. However, this will require services delivered by funded organisations to be, integrated, productive and focused on desired outcomes: this will be achieved in the first instance by ensuring that Theme Specifications are appropriately explicit in these regards. These will be key factors for consideration when negotiating outputs and outcomes with successful projects.

3.10   Tower Hamlets has an extensive and diverse Third Sector. It plays a key role in the delivery of the Tower Hamlets Community Plan and in improving the lives of all those living and working in the borough. It is often better placed than large public sector providers to engage with diverse communities in the borough and to mobilise the resources and voluntary efforts of individuals in local communities in delivering important services.

3.11   The sector is diverse with a broad range of organisation types, approaches and skills. And whilst the sector also faces many challenges, it can be effectively mobilised to make a significant contribution to the corporate goals of the council.

3.12   Main Stream Grants are a useful funding mechanism for deploying Third Sector organisations to support the delivery of the Council's key priorities – refer to the Funding Framework at **Appendix 1**.

3.13   The funding can be effectively targeted towards specialist service providers in order to meet clearly articulated community needs and grant agreements can be negotiated with successful service providers to maximise the potential achievement of targeted outputs and outcomes. The MSG Programme, if utilised correctly i.e. with a clear strategic vision, is certainly able to achieve excellent results in terms of delivering key outcomes.

3.14   For clarity it should be understood that MSG is a 'commissioned grant' scheme where desired service outputs, outcomes and other requirements are clearly specified. Grants are treated as 'restricted funds' within an organisation's accounts and can therefore only be spent on the funded activity. Furthermore, grants have the advantage of being able to attract 'match funding' either from the provider or other sources, which can significantly enhance what is delivered/achieved.

3.15 Grants vary from procured contracts and can be used tactically to fill gaps in services provision and allow scope for local innovation and co-design of services to meet identified needs.

3.16 The current Main Stream Grants programme consists of 12 funding streams with a budget of just in excess of £8m being distributed over the 27 month period from 1 January 2013 to 31 March 2015. By service area, these are summarised below.

Directorate	Funding Stream	Target Clients / Beneficiaries
Education, Social Care and Wellbeing	Older People's Lunch Club Services	Over 50s who are isolated and vulnerable
	Prevention Health and Wellbeing	Vulnerable adults
	Early Years Services	Children 0-5 years
	Children and Families Services	Vulnerable children, young people and adults
	Study Support Services	Children 5-15 years
Communities Localities and Culture:	Community Language Services	Children 5-15 years
	Integrated Youth and Community Services	Young people, mainly 13-19 up to 25 with SEND
	Arts Sports and Environmental Services	General community
	Lifelong Learning Services	Long term unemployed lacking basic skills
Development and Renewal:	Community and Economic Engagement;	Individuals furthest from employment Local residents seeking constructive solutions to issues affecting them
	Social Welfare Advice Services	Households in poverty; Individuals affected by welfare reform
	Third Sector Infrastructure Support	VCS organisations in the borough

3.17 A consultation workshop involving Third Sector Organisations which took in October captured a number of views about how the next round of MSG should be focused and of these the most pertinent.

- Many young people have complex needs and an integrated approach between providers is needed.

- No one organisation can cover all the diverse support needed to get people into sustained employment. An integrated network of organisations needs to be put together that can take an individual through each of the different

levels and stages of preparation. Lifelong Learning should be integrated into this theme.

- Cross-cutting themes such as equality and diversity need to be built into funded programmes.

- People working together strengthens community cohesion. Activities which bring people together should be promoted, such as festivals, city farms, pensioners clubs, gardens and environmental projects.

- Older people's lunch clubs are a valuable service but the real benefit comes not from the lunches but from the opportunities to address isolation and the activities that users are encouraged to engage in – there have been many successes that need to be recognised and further encouraged.

- Joint bidding options should be offered as a means of addressing gaps.

3.18   It is clear that external environmental circumstances which drove the focus of the 2012-15 MSG Programme are changing and reshaping priorities. The Key Business Drivers for the MSG 2015-18 Programme are outlined below.

3.19   **Socio-economic trends:** The borough has the fastest growing population in the UK and saw a 26.4% increase from 2001-11 affecting all wards, driven by the increase in house building but also immigration. 43% of the borough's population were born outside of the UK and of this group 54% arrived in the UK between 2001 and 2011.

3.20   Tower Hamlets has the 4th highest rate of bad or very bad health in London at 6%. People are living longer with disabilities.

3.21   ONS figures in the year July 2013 to June 2014 shows 13,700 residents were unemployed in the Borough. The number of people economically active in Tower Hamlets is 138,900. Of these 124,000 are in employment (66.9%) and 13,700 are unemployed (10%). The number of people economically inactive is 46,200. This number includes students, people looking after family / home and the long term sick. 7,400 of people are looking for a job.

3.22   Despite a local economy of £6bn, a third of the borough's households live on less than £15,000 per year and the borough has the highest rate of child poverty nationally and lowest healthy life expectancy for women in the country. Households are also faced with higher costs of living, high child care and high housing costs.

3.23   The Government's welfare reform changes mean that many households have had their income reduced and there has been a rise in residents seeking advice: both to understand how the changes will affect them, and to get support in mitigating the impact of the reforms.

3.24   Welfare reform, the housing crisis and continued economic austerity will mean there is on-going demand for social welfare advice services. Welfare benefits, debt and housing advice currently equate to over 75% local of advice agency enquiries, but consumer advice, family law, employment rights and immigration

advice are likely to continue to drive demand due to legal aid changes. Increased child poverty and work poverty will create higher demand for debt and money advice and access to affordable credit for people struggling on low incomes.

3.25   The introduction of the first tranche of Universal Credit in 2015 and the roll out of PIP (personal independent payments) will also have a major effect on advice service demand. There is also likely to be continued demand for employment rights advice as a result of zero hour contracts and changes to employment tribunal procedures. In addition, the move by Government and other public services to Digital by default has major implications for residents who lack digital skills or access to the internet and who need to apply for support or for job opportunities.

3.26   **Legislative Changes**: The Care Act 2014 and the transfer of health services from the NHS to the local authorities are major drivers and the future emphasis should be on offering services with focused outcomes oriented to prevention of illness, exercise and health and wellbeing activities, based on a hub model serving groups in specific local communities at strategic points across the borough. The Act sets out a number of significant changes the council will need to focus upon including reform of how support is accessed and funded. This will require further integration of health and care locally.

3.27   The Children and Families Act is now in force, which includes a focus on support to children with special educational needs.

3.28   The Localism Act 2011 focuses on the provisions for communities to hold much more influence over their own areas and, to plan the development of their own neighbourhood.

3.29   The White paper Strong and Prosperous Communities contains references to the need for Councils to engage with their communities openly referring to the duties to inform, to consult, to involve and devolve.

3.30   The Equalities Act 2010, though not new, also represents the responsibilities which community engagement must be tied with; good engagement must be inclusive and representative of all parties.

3.31   **Council Strategies:** Main Stream Grants are intended to support third sector activity to assist the Local Strategic Partnership in delivering priority outcomes for local people. The borough's Community Plan is currently being refreshed based on an extensive consultation process throughout the borough and an in-depth review of emerging issues.

    3.31.1   The draft of the revised Community Plan retains the four core themes save for the inclusion of a fair and prosperous community. In addition, four high level and cross-cutting priorities which will be the focus of the Partnership Executive for the lifetime of this plan have been defined.

        Priority 1: Empowering residents and building resilience
        Priority 2: Healthier lives
        Priority 3: Increase employment
        Priority 4: Responding to population growth

3.31.2 The Community Plan draws on existing priorities developed by the partnership-wide Community Plan Delivery Groups and their relevant strategies:

- A revised set of Mayoral commitments has been issued.

- The Tower Hamlets Children and Families Plan sets out the approach to raising the aspiration and improving educational attainment of children and young people. This includes a focus on increased targeted provision from early years settings – including helping parents support the learning and development of their children.

- Tower Hamlets Health and Wellbeing Strategy.

- The Tower Hamlets Health and Wellbeing Board, Mental Health Strategy lays out a series of commitments to improve outcomes for people with, or at risk of mental health problems across the lifecourse.

- The borough's Employment and Enterprise Strategy has objectives which are directly relevant to the skills and local knowledge of the Third Sector, in particular the local and targeted engagement of workless residents with specific and often multiple barriers to engaging with the labour market.

- The Crime and Drugs Reduction Strategy prioritises the addressing of acquisitive crime, anti-social behaviour, enforcement against drug dealing, hate crime and incidents, violent extremism and violent crime. The Third Sector has a role to play in multi-agency responses to the abuse of vulnerable people and in initiatives to Increase community cohesion by bringing residents from different backgrounds together.

- The skills and expertise of the local Third Sector is able to play a pivotal role in taking forward the Council's Financial Inclusion Strategy and the emerging Digital Inclusion Strategy by delivering targeted local services aimed at increasing the knowledge base, skills and engagement of local residents.

- The Council's Single Equality Framework is the corporate strategy for understanding diversity, tackling inequality and promoting cohesion. It sets out its approach for addressing age, disability, gender, race, religion/belief equality, sexual orientation and transgender inequality in the borough and seeks to ensure that Council services take full account of the borough's diversity in planning and designing services.

- There are a number of cross-cutting partnership strategies which set additional priorities including the Third Sector strategy which highlights the central role of the VCS in the delivery of One Tower Hamlets, with particular emphasis on reducing inequality, supporting cohesion and providing strong community leadership;

and the Financial Inclusion and Digital Inclusion strategies which seek to ensure all members of the community have access to key services

3.32 **Objectives and Priorities for MSG Funding:** The purpose of Main Stream Grants is to fund activities to meet key local priorities drawn from the Community Plan and associated strategies which the Third Sector is best placed to deliver. The local Third Sector can deploy skills, local knowledge and community contacts not possessed by the Council: this is a key factor in providing tailored services to individuals or local groups that need to be advised, assisted or supported.

3.33 The overall findings of the Review Group concluded that the 12 Funding Stream model of the current MSG Programme would be best restructured into 4 'core themes' which, together with other key changes would be significantly better able to deliver improved focus and results.

3.34 The initial proposals for the new Programme were tested via an open consultation event which took place in October 2014 which was attended by over 60 representatives from local third sector organisations. The event which was structured around 4 facilitated workshop groups considering each of the proposed core themes was a great success - resulting not only in refining the early working theme titles to the current final proposals but also making a significant contribution toward identifying key target outcomes, priorities and other factors which have since been built into the new Programme.

3.35 Subsequent considerations added a 5th core theme and also introduced two cross-cutting themes. The detail of these themes – in terms of draft Theme Specifications were presented and discussed at a further consultation event which took place of 15 March 2015.

The 2015/18 Programme Proposed Structure

3.36 A review of the current MSG Programme by Service Managers together with results of initial consultation with Third Sector partners has indicated a requirement for a consolidation of the existing Funding Streams into 5 Headline Themes. Through these Themes as set out below, the Programme will be able to effectively deliver key outcomes that address priorities and objectives from the Community Plan.

> Theme 1: Children and Young People and Families
> Theme 2: Jobs Skills and Prosperity
> Theme 3: Prevention Health and Wellbeing
> Theme 4: Third Sector Organisational Development
> Theme 5: Community Engagement Cohesion and Resilience

3.37 In addition to the above headline themes, 2 cross-cutting themes are also proposed: 'equalities' and 'digital inclusion'. It is strongly felt that these 2 matters are key underlying factors to ensuring that a high percentage of potential clients of the Programme are able to access the services available and maximise the potential benefits.

Programme Budgets

3.38 The following table sets out the proposed annual funding allocations for the MSG 2015/18 Programme Themes.

	Theme Title	Annual Allocation £
Theme 1	Children Young People and Families	820,000
Theme 2	Jobs Skills and Prosperity	1,220,000
Theme 3	Prevention Health and Wellbeing	806,000
Theme 4	Third Sector Organisational Development	160,000
Theme 5	Community Engagement Cohesion and Resilience	80,000
	TOTAL	**3,086,000**

3.39 The total MSG budget for 2015/16 is £3.086m but this could be subject to change as part of future budget processes. Following the decision taken by Commissioners on 11th March, the allocation for the current year has a commitment of £1.16m, excluding early years and any contribution to the CVS which is subject to a separate report on this agenda. As with the previous programme, it is proposed that some of the budget is top-sliced in order to fund required corporate support and best value action plan requirements, as outlined below.

  I.   To provide for continued development and maintenance of the Council's grant management system

  II. Enhanced audit and evaluation (see para. 3.74 below.)

3.40 The total annual cost associated with the above initiatives, if the Commissioners are minded to agree, is £100k, to be top-sliced proportionately across all themes. Consideration is also sought regarding future arrangements for the CVS, and whether the expectation would be to require a proposal as part of the third sector organisational development theme, as opposed to a further programme-wide top-slice.

3.41 For clarification, the MSG 2015/18 annual allocations are a simple redistribution of the budgets from the 2012/15 Programme – as set out in the table below. It should be noted however that an amount of £698,000 which was within the 'Early Years Service' funding stream for the programme in 2012/15 has been removed from the 2015/18 Programme. This money was a ring-fenced budget from the Department for Education's Dedicated Schools Grant.

MSG 2012/15 Budget Allocations

Funding Stream	Current Annual Budget £m
Older People Lunch Club Services	0.347
Prevention Health & Wellbeing (out of sync stream)	0.250
Children and Families Services	0.181
Community Language Services	0.126
Early Years Services	*0.698*
Study Support Services	0.062

Funding Stream	Current Annual Budget £m
Youth and Connexions Services	0.242
Arts Sports and Environmental Services	0.331
Lifelong learning Services	0.087
Community Economic Engagement Services	0.300
Social Welfare Advice Services	0.920
Third Sector Infrastructure Support Services	0.240
Total Programme Budget	**3.784**

3.42 The budget previously allocated to the MSG Early Years Services will be redirected to fund statutory early years' provision. Services will however continue to be delivered by external providers including third sector organisations.

New Programme Themes

3.43 The new MSG programme will be 'commissioning focused' and will seek to fill gaps where discretionary Council spend is reducing. It will also seek to ensure a geographic spread that reflects needs based on a hub and spoke model. Overviews of the Headline Themes are set out below.

3.43.1 <u>Theme 1 - Children Young people and Families</u>

    I.   **Educational attainment**: Whilst schools in the borough are performing well overall, at above national levels in some areas, there are particular groups of young people who do not reach expected levels of attainment which impacts on their future employment prospects.

    II.   Much of the evidence relating to tackling underachievement for specific groups demonstrates that traditional school effectiveness programmes have very limited impact for some children and young people. This suggests that different approaches need to be explored so that we are confident we are meeting the needs of all children and young people and address barriers to achievement comprehensively.

    III.   It proposed that in future a broad range of provision, delivered by appropriately qualified individuals, is funded which is tailored to meet the needs of targeted groups of young people who are at risk of not achieving expected levels of attainment. It is also proposed that budgets are set at a level that enables providers to deliver effective programmes. These services will assist with delivering the following outcomes:

- Improved levels of participation, educational attainment and progression for children and young people.
- Improved levels of participation and self-confidence of young people through access to multi-disciplinary arts and cultural provision
- Improved well-being through access to outdoor play, sport and environmental based activity

IV. **Vulnerable children, young people and families:** A significant number of children and young people come to the attention of children's social care annually, a high proportion of which do not progress to assessment following contact. However, many of these children and families do require access to support services that:

- Build resilience and improve safety
- Build emotional resilience

V. Due to the significant number of families in the borough requiring additional support it is proposed that the budget available for services is increased in order that we can satisfy demand. It is proposed that for the 2015/18 programme budgets are set at a level that enables providers to deliver effective programmes.

VI. This will mean that fewer organisations are funded but that the impact will be greater which is particularly important as this funding stream targets the boroughs most vulnerable families.

VII. The new programme will be better aligned with internal provision and delivered as part of a comprehensive and coordinated system of care in order to improve quality and maximise the benefit to families by targeting those most in need. Services will assist with delivering the following outcomes:

- Children and young people are protected from harm and families are supported to provide a safe environment
- Reducing harmful relationships among peer/gender groups
- Improving emotional health and wellbeing in children and young people
- Reduction of substance misuse and sexual abuse, violent crime (including domestic violence) and anti-social behaviour

VIII. In addition, a significant number of young people face a range of challenges for which they require targeted support. The population of the Borough comes from a variety of national, racial, ethnic, religious and socio-economic backgrounds. They may or may not live in distinct communities. Many suffer from social and financial deprivation to varying degrees. Others may have problems arising from substance misuse, mental or physical disability, or be classified as Young Offenders. Many will suffer from the various aspects of discrimination that can accompany these factors. Some will suffer discrimination on account of their gender or their sexuality.

IX. Specific provision is required that has understanding of and sensitivity to these issues and that shows a commitment through the delivery of the service, to:

- Improving outcomes for Young People
- Promoting inclusion and social cohesion
- Reaching out and engaging young people those who are under users including LGBTQ, SEN, and Travellers & Gypsies
- Promoting integration, volunteering and citizenship

3.43.2 <u>Theme 2 - Jobs Skills and Prosperity</u>

I. **Routeways to Employment Strand**: The establishment of an integrated employment services (IES) with a coordinated framework of person-centred support to assist residents to address specific barriers to employment and manage the transition from welfare to work is a key strategic objective of the council.

II. Whilst job outcomes are a primary strategic objective of the overall provision, it is acknowledged that those with multiple barriers need the support of various specialist services to advance their journey towards work and independence; the tracking of this advancement is key to assessing both the personal development of the client and the quality of specific and integrated service delivery across different delivery organisations at the local level.

III. The Integrated Employment Services (IES) framework includes a common assessment and action planning tool and the embedding of a common methodology for tracking a client's journey towards economic independence.

IV. The funding criteria will include a requirement to work within the IES framework model and utilise the IES tracking system. Successful applicants will need to be able to demonstrate a history of and a continued commitment to strong partnership working across sectors, and a clear understanding of the need for integrated collaborative working to support residents on pathways to employment

V. The funding is specifically targeted towards particular client needs that are not already being addressed by mainstream providers, Project proposals will be required to demonstrate effective; innovative approaches that supplement and are integrated into mainstream access to employment programmes. The required outputs and outcomes will be measured against specific milestones and targets related to a client's advancement towards sustainable work including:

- Personal action plans
- Accredited and non-accredited training
- Work experience placements
- Job outcomes

VI. **Social Welfare Advice Strand**: Supporting low income residents to manage the impacts of welfare reform and the challenges of the continued economic austerity and costs of living increases is another key strategic objective. Advice services play a crucial role in reducing inequalities and supporting social and financial inclusion by helping people to maximise their incomes and have access to independent legal advice about their housing and employment rights and other legal concerns.

VII. The Social Welfare Advice strand will particularly focus on providing quality assured advice information and representation to residents on:

- Entitlement to welfare benefits including in work benefits and disability related benefits rights in relation to access to housing and resolution of housing disrepair problems
- the management of personal finances and the resolution of problem debts
- employment rights and access to redress

VIII. Specific outcomes of this funding stream will include:

- Minimisation of the number of residents negatively impacted by welfare reforms;
- Minimisation of the number of residents facing housing repossessions;
- Increase in the numbers of residents supported with personal budgeting skills and with specialist advice to address problem debts;
- Improvements to the range and effectiveness of different channels and delivery methods used to reach those most in need of advice services;
- Improved integration of social welfare advice services including links to other support services to ensure holistic approaches to addressing residents' needs.

3.43.3 Theme 3 - Prevention Health and Wellbeing

I. It is proposed that this theme will focus on potentially vulnerable adults and carers who do not currently come to the attention of Adult Social Care but who may be at risk of developing needs in the future – those Tower Hamlets residents, who may need support and advice to address issues around:

- Maintaining their health and wellbeing, including mental wellbeing, through for example, exercise activities, environmental based projects, health advice sessions, health checks;
- Addressing loneliness and social isolation, through the provision of peer support through shared activity groups, including lunchclubs; cultural, inter-generational and self-expression projects;
- Building resilience in individuals, families and communities;
- Knowing where to go for advice and information, and onward referrals.

II. It is envisaged that closer alignment with Public Health will ensure the availability of healthy eating and Food Hygiene advice, enable greater coordination of health related activities across the borough minimising duplication and create opportunities for increased shared working.

III. Recognising the need to ensure sustainability and provide value, it is proposed that organisations are encouraged to work together in a coordinated way, to enable a broader spread of services across the borough. This will enable more equitable service provision whilst maintaining a focus on local needs being addressed.

IV. The services will contribute to the following outcomes:

- Improved health and wellbeing in adults
- Reduced loneliness and social isolation

- Greater sense of community cohesion
- Increased knowledge about where to go for information and advice

3.43.4 <u>Theme 4 - Third Sector Organisational Development</u>

I. There are in excess of 1,200 voluntary and community sector organisations listed as 'operating' in the borough. These organisations function at vastly differing levels providing a range of services and activities for local residents.

II. It is proposed that this theme supports services provided by what are termed 'second-tier' organisations. These are organisations whose primary role is to provide assistance to those organisations that work directly with members of the public: front-line service providers.

III. This theme supports the aim of the Voluntary and Community Sector Strategy (July 2013) – Support the sector's role in achieving One Tower Hamlets and providing excellent services which will improve the quality of life of local people.

IV. In particular this MSG Theme looks to support local groups to build their capacity and help them improve efficiencies in service delivery. Key outcomes sought through this theme are:

- Increased number of local VCS organisations with Quality Assurance Accreditations
- Increased levels of external grant funding secured by local VCS organisations
- Increased number of VCS organisations with key governance policies, strategies, processes, procedures and action plans in place
- Increase in the number of organisations able to effectively manage grant funded activities and better demonstrate the impact of their work
- Improved sustainability of specialist resources that are used by a wide range of third sector organisations to deliver their work

V. This includes activities to support front-line delivery organisations to provide quality and legally compliant services for the local community. It is proposed that applications will be invited within two specific areas:

- To provide support to Council funded organisations
- To provide general support to organisations based in the borough

VI. This may include training, resources or one-to-one advice that enables front line delivery organisations to:
- access funding and resources;
- achieve service appropriate and organisational quality standards;
- comply with the legal and governance requirements;
- effectively manage staff and volunteers;
- improve financial and management systems and procedures;
- develop and implement effective business, finance and project plans;

- monitor, evaluate and demonstrate effective services.

3.43.5 <u>Theme 5 - Community Engagement Cohesion and Resilience</u>

   I.   This theme will seek to:

- promote community leadership and engagement, supporting projects where local residents and community groups seek to develop activities and services to address locally identified needs; and
- support projects which promote community cohesions, through bringing groups and individuals from different cultures together in an integrated manner, based on our Community Cohesion toolkit model

   II.   The service specification will draw on lessons from the Community Cohesion and Neighbourhood Agreements toolkits, One Tower Hamlets and Public Health Can Do funded projects, in terms of what has worked well and on other ideas that will emerge from discussions with community groups on the Empowering Residents and Building Resilience priority proposed in the revised Community Plan.

   III.   Projects will mainly be funded by way of smaller grants with a life of around 12 months. Scope for rationalising grant streams through combining the One Tower Hamlets and Can Do grants into a single pot with this MSG stream is being explored.

How The New Programme Will Work

3.44   Within previous MSG Programmes different directorates have been delivered their own services via the third sector but not on a joined up basis. However, in developing the proposals for the 2015-18 MSG programme, the 'thematic' approach has organisational benefits by encouraging dialogue, cooperation and coordination between directorates regarding provision in order to ensure that services a clearly focussed of client/customer need rather than organisations structures. Amongst other things, this also has operational benefits by encouraging partnership and consortia working through a lead provider and delivery agent model. Lead providers would however need to receive specific funding (circa 7.5% of project costs is recommended) to support their management and administration costs (M&A). Overall the proposed approach will seek to achieve the following benefits.

- To enable projects to be grant commissioned on a cross-directorate basis against an integrated strategy;

- To enable strategic and small grant funding to be assembled and packaged appropriately between directorates to address multi-faceted needs in a coherent, integrated and effective manner

- To create conditions for more cross-referral of beneficiaries between grant funded activities so that deeper and wider impact is achieved

- To enhance the scope for more consortia-based approaches to bidding

- To achieve efficiencies including for example monitoring costs, where different directorates are working with the same providers

3.45 **Improving Integration of Funding Programmes:** Given the need to maximise the impact from the available resources, there is a need for improved collaboration and integrated working across agencies to address fragmentation and to achieve efficiencies where possible., for example, there is scope for extensive cross-referral between providers delivering employability skills, youth services activities and advice on welfare benefits.

3.46 The design of the new MSG programme and the assessment criteria for funding will consider the extent to which the projects should have appropriate linkages with initiatives from other funding programmes including those from other Council programmes as well as those supported through other regimes such as the London Councils grant scheme.

3.47 The assessment process will mitigate risk of service duplication by asking specific questions within the application form and utilising information from key funding trusts and foundations such as City Bridge, Trust for London, Esmee Fairbairn Foundation, London Council's, Tudor Trust and the National Lottery to identify funded schemes being delivered in the borough either by Tower Hamlets based organisations or other providers.

3.48 The target outcomes relating to the proposed themes are set out in table 1 below; and, the possible activities designed to achieve those outcomes are set out in table 2 below. More specific information can is set out within the individual Theme Specifications which are attached as **Appendix 2.1 to 2.5**.

Table 1 – Target theme outcomes

Theme	Target Outcomes
Children and Young People and Families	• Improved levels of participation, attainment and progression for children and young people. • Reduction of substance misuse and sexual abuse, violent crime (including domestic violence), anti-social behaviour and harm to vulnerable young people and families. • Reduction in the number of people reporting or having 'fear of crime' • Increased number of people feeling safe in their neighbourhoods • Increased participation in play and recreation activities by young people • Children and young people are protected from harm and families are supported to provide a safe environment • Reducing harmful relationships among peer/gender groups • Improving emotional health and wellbeing in children and young people • Reduction in problems of obesity amongst the young through out of school sports provision • Reduction in health related risk factors, such as overweight / obesity and improved mental health and physical wellbeing, through participation in sport and physical activity in a

Theme	Target Outcomes
	community setting • Improved physical and mental health and wellbeing in children and young people - through access to outdoor play, environmental based projects and cultural activities
Jobs, Skills & Prosperity	• Measurable increase in the numbers of people moved closer to the labour market and prepared for sustained employment. • Reduce the numbers of residents in the borough with no qualifications or training • Improved integration of pathway to work employment support services • Minimisation of the number of residents negatively impacted by welfare reforms particularly those impacted by ESA, PIP and introduction of Universal Credit • Minimisation of the number of residents facing housing repossessions • Increase in the numbers of residents supported with addressing problem debts • Improved access for residents to high quality information and advice on social welfare law • Improved integration of social welfare advice services including improved links to other support services to ensure holistic approaches to addressing residents' needs • Empowering residents and building resilience
Prevention Health and Wellbeing	• Increased number of vulnerable residents leading healthier lifestyles through improved diets, taking regular exercise and related activities, including lunchclub attendees • Improved emotional health and wellbeing of children and young people and families • Reduced loneliness and social isolation • Greater community cohesion • Increased knowledge about where to go for advice and information • Improved health and well-being through access to cultural activity that brings people together, allows for self-expression including projects around memory and cross generational activity
Third Sector Organisational Development	• Increased number of local VCS organisations with Quality Assurance accreditations • Increased levels of external grant funding secured by local VCS organisations • Increase in the number of organisation able to effectively manage grant funded activities and better demonstrate the impact of their work • Improved sustainability of specialist resources that are used by a wide range of third sector organisations to deliver their work •
Community Engagement Cohesion and Resilience	• Identifiable increase in numbers of local residents taking on key leadership and representational roles within the community • Increase in number of people who feel they are getting on

Theme	Target Outcomes
	better with others in their communities, as identified from annual community surveys • Increased opportunities for communities to work together on local improvement projects, cultural celebration and exchange

Table 2: possible activities (further detail on possible activities will be provided within the detailed service specifications)

Theme	Activities designed to deliver the above outcomes
Children and Young People and Families	• Delivery of targeted provision that builds resilience and improves the safety of vulnerable children, young people and families • Provision of targeted support that builds the emotional resilience on vulnerable children, young people and families delivered as part of a comprehensive and coordinated system of care • Delivery of provision that supports improved attainment for young people identified as at risk of not achieving expected levels of attainment • Children's activities and support services • Youth development & support services • Children's play, sport and indoor/outdoor recreation • Creativity and self-confidence of young people through access to multi-disciplinary arts provision
Jobs, Skills & Prosperity	• Social welfare advice services • Legal advice and representation • Basic skills development • Employability support services including job placements • Referral to progression routes • Accredited training • Personal capacity building
Prevention, Health and Wellbeing	• Older peoples' lunch clubs and associated prevention and healthy living advice and support services • Sport, cultural and recreation activities to improve physical and emotional wellbeing
Third Sector Organisational Development	• Organisational governance capacity building • Project management skills development • Fundraising and income maximisation activities • Partnership brokerage • Volunteer development
Community Engagement Cohesion and Resilience	• Local community resilience initiatives • Community cohesion activities

3.49 **Applications and assessments**: Organisations will be invited to submit applications against comprehensive Specifications which will set out detailed requirements relating to each of the individual Themes.

3.50 In inviting bids to the new programme, each of the 5 Theme Specifications will be clear on the required geographical coverage and the acceptable methods of achieving this; for example, through partnership or consortium bids.

3.51 The application arrangements will feature an online process. A Word version of the online application is attached as **Appendix 3**. In addition to completing the online form, applicants will also needing to submit the following documents in order to demonstrate the organisation's eligibility to receive grants from the Council.

     i.   Copy of governing document
    ii.   Bank or building society account details
   iii.   Latest signed audited/certified accounts or financial statement
   iv.   Equalities and diversity policy
    v.   Financial management procedures
   vi.   Safeguarding policy
  vii.   Insurance confirmation
 viii.   Organisational income and expenditure schedule
  ix.   Project budget schedule and match funding confirmation

3.52 In addition to the above general eligibility criteria, depending on the theme to which they are applying and the activity in question, organisations will need to provide details of any required accreditation or other appropriate certification requirement as set out within the relevant Specification document.

3.53 The eligibility assessment will be undertaken internally by Grant Officers and only those applicants that meet the eligibility requirements will progress through to the full assessment stage.

3.54 Due primarily to the potential heavy resource requirements and time constraints it is proposed that full assessments are supported by external assessors.

3.55 The assessment of applications will be conducted in line with the MSG Assessment Process as set out in **Appendix 4** attached.

3.56 **Match funding:** MSG awards will not provide 100% of project costs. Organisations will therefore be required to contribute a minimum of 15% of the total project costs. This contribution can be made up in the following ways.

    i.   **Cash-based match** - this is where either funds from the applicant or any alternative source of funding is used to contribute to the overall project costs. This can also include funding which is paid as salaries/wages to a member of the project team but is paid for by another funder other than LBTH.

   ii.   **In-kind match** – this is where a project role is undertaken by a volunteer who is not in receipt of a wage/salary. In this situation, the volunteer in question will be required to submit a timesheet of work undertaken each quarter for which organisations will be able to claim 'in-kind match' equivalent to the London Living Wage which is currently £9:15 per hour. This must obviously be a proper and

required project role for which the volunteer has received training, support/supervision and is fully competent to undertake.

Beneficiary and equalities considerations

3.57 Promoting equality is a key element of the Council's One Tower Hamlets objective. The design and implementation of the new MSG programme demonstrates 'due regard' to the needs of groups with protected characteristics and where they have particular needs as set out in the Borough Equality Analysis.

3.58 **Equalities Impact Assessment Process:** The equalities impact assessment of the proposed MSG programme will be undertaken in two parts. This should ensure that equalities implications and recommendations can be more fully imbedded into the decision making process.

3.59 The first part is a strategic assessment of the proposed approach and intended beneficiaries. It looks in particular at the potential impact on beneficiaries of the changes between the proposed programme and the MSG 2013-15. The results of the strategic assessment are detailed below and included in **Appendix 5.**

3.60 Part two will be undertaken following officer recommendations as to the award of the grant, but prior to decisions. It will be undertaken on a theme by theme basis, and review identified need against potential projects.

3.61 **Strategic Assessment:** The focus of the strategic equalities impact assessment has been the identified need (or beneficiaries) and the difference between the MSG Programme 2013-15 and the proposed programme. Looking in particular at the potential impact of:

- Reduction in overall funding;
- Rationalisation of themes; and
- Introduction of locality boundaries.

3.62 The assessment may need to be reviewed following finalisation of theme specifications, but it is not expected that the outcome of the equalities assessment will change.

3.63 An analysis of the proposed changes to the 2015-18 Mainstream Grant programme do not identify any adverse effect on any group with protected characteristics. The programme continues to target vulnerable and disadvantaged groups. In terms of protected characteristics, funding is specifically targeted at groups such as Children, Young People and Older People, to the extent there is an identified need. Other funding (e.g. mainstream / general fund / other grant) tends to target socio-economically disadvantaged people irrespective of whether they have a protected characteristic within the meaning of the Equality Act 2010, in order to achieve improved outcomes such as increased employment, improved health, maximise income reduce impact of welfare reforms.

3.64 It is essential that monitoring, assessment and review is undertaken at latter points in the process, e.g. following final recommendation of grant awards and

during project delivery in order to ensure that the desired equality outcomes are realised.

3.65 **Reduction in Overall Funding**: The overall Mainstream Grant budget has been reduced by £0.698m per annum. However, The MSG budget no longer includes a provision for the Early Years' Service awards. Early Years Needs will now be met from the Dedicated Schools Grant (DSG). This accounts for the difference between the two programmes overall budget and there is no impact on beneficiary group (children 0-5 and families) as services will still be provided elsewhere.

3.66 Overall, the apportionment of funding remains largely the same, particular in terms of beneficiaries of funding. Groups will have 'access' to a similar sized funding pot, even if the approach may have changed. As detailed in the EA, the third sector theme does receive less funding in this round than the previous round. This may mean fewer organisations will be supported via the mainstream grants programme. However, it is not thought that this will adversely affect the sector at this time – given the new approach and focus on outcomes.

3.67 **Rationalisation of themes:** An initial assessment shows that the type of beneficiaries targeted in this programme are the same groups as those targeted/prioritised under the previous round of MSG funding (excluding Early Years beneficiary groups). There is no evidence to indicate that the 'combining' of these funding themes will disproportionately or adversely impact (exclude) any of the target groups that benefited under the previous funding arrangements.

3.68 **Introduction of locality boundaries:** A range of data and other information based on demographics and ward clusters will be provided in the bidding packs. It is possible that a project may be borough wide or target a specific neighbourhood. Therefore whilst there is an overarching aim to achieve a proportional spread in the 4 Ward Cluster areas, this may not be appropriate or necessary to ensure a positive equities impact.

3.69 At this point, prior to award of funding, the proposed geographical areas are not considered to disadvantage any of the groups with protected characteristics.

3.70 **Stage 2 – Theme Based Assessment:** Equalities Impact Assessments will be undertaken for each theme following grant award recommendations, prior to award of grant. They will be undertaken on a theme by theme basis, and review identified need against potential projects.

3.71 It is expected that the EA's will be undertaken by theme leads and look specifically at the intended outputs/outcomes of proposed projects against identified need. The EA should test whether the proposed projects will;

- Meet needs identified across protected characteristics and beneficiary groups; and
- Meet needs identified across geographical boundaries – this may not result in an 'even spread', but should instead aim to meet identified need across the borough.

3.72   Service Specifications will clearly identify equality targets. In response, all applicants will need to demonstrate how their proposal will contribute specifically to achieving the targets and in general, how it has met/will meet other equality requirements set out within the specification document.

3.73   To ensure that targets are met, the recording and reporting of equalities data will be an essential monitoring requirement for all successful projects. Organisations failing to provide the required information as part of their quarterly monitoring returns will be appropriately penalised within the RAG rating process.

Monitoring and evaluation

3.74   It is essential, in accordance with the agreed best value action plan, that a monitoring and evaluation strategy is put in place so that the new MSG Programme has clearly defined success criteria and can therefore be assessed and measured in a meaningful way. Monitoring against agreed targets and spend will be undertaken on a quarterly basis to determine release of funds and inform any remedial action that might need to be taken. As part of the process an annual review of grants will be presented to Members, and enhanced risk based audit arrangements undertaken in conjunction with the quarterly monitoring.

3.75   In relation to 'project performance monitoring', the Council introduced an updated Grant Officers Manual as of December 2014. The manual sets out a comprehensive range of programme and project management processes, procedures and toolkits all of which are designed to ensure that the monitoring and assurance work is robust.

3.76   All officers involved in monitoring grant funded projects have been issued with a copy of the Manual and have received an initial briefing/training session on its use. Future development and updating of the Manual together with the ongoing training of staff will ensure the maintenance of the required management standards.

3.77   As part of the monitoring process officers will prepare regular performance reports which will clarify the position of all projects in relation to their RAG status. Where projects are rated as either AMBER or RED, details of projects improvement plans/remedial action will be clearly set out. And, for example, in circumstances where a project is rated as RED for 2 successive quarters a recommendation could be made to terminate the grant.

3.78   In relation to "programme evaluation" it is recommended that this should focus on 3 key areas as outlined below:

(i) Programme design:
- The appropriateness of the outcomes targeted by the Programme;
- The extent to which specified activities could reasonably be expected to deliver the targeted outcomes; and,
- The quality and appropriateness of baseline information.

(ii) Programme administration and management:
- The potential effectiveness of original award decisions
- The effectiveness of projects and programme management and monitoring

(iii) Programme performance:
- Overall quality of each theme's portfolio
- The extent to which programme outcomes have been achieved, including those related to equality-based targets
- Feedback from providers
- Assessment of case studies and user satisfaction surveys
- Assessment of the impacts achieved by individual projects, themes and the programme as a whole
- The review and revision of activities and outcomes

3.79 It is proposed that item 1 of the foregoing areas of evaluation is undertaken as soon as possible following approval of the Programme. The remaining items should be undertaken twice during the Programme cycle: firstly as a mid-term evaluation and then again at the end of the Programme.

3.80 **Guiding principles & governance arrangements**: It is important that there are robust principles which underpin the structure, decision making and governance within the Council's third sector grants programmes.

3.81 By building and adhering to these standards the Council will clearly demonstrate its commitment to ensuring that grant funding to organisations is designed to maximise the achievement of agreed corporate goals and meets Best Value requirements.

3.82 **Appendix 6** sets out proposed Guiding Principles and Governance Arrangements applicable to the Council's Main Stream Grants Programme. It is also intended that these will be adopted in relation to other third sector grant schemes.

3.83 **Timeline and process**: This will provide an extremely tight timeframe within which to deliver the new MSG programme. To meet the challenges there will be amongst other things, considerable resource pressures. The key programme milestones are set out below. It is recommended however that current proposed 5 weeks application period is extended to 6 weeks in view of the complexities of organisations setting up partnership or consortia based projects. If Commissioners are minded to agree this proposal, an adjustment will be made to the Grant Agreement Negotiations (at the end of the timeline) by 1 week – 6 to 5 weeks.

Activity	Target Date / Duration	Comments
Programme Launch -	27 April	
Application period -	27 Apr-29 May 5 weeks	- **It is recommended that this is extended to 6 weeks in view of the complexities of setting up partnership or consortia-based projects**
Assessments - Eligibility checks - Scoring - Quality assurance	1 Jun – 26 June 4 weeks	This is an extremely challenging duration in which to complete the anticipated level of applications in the traditional way - It is therefore suggested that LBTH

Activity	Target Date / Duration	Comments
- Equality Analysis - Recommendations - S151 Sign-off - Draft report		officers complete the eligibility stage of the process only - External assessors should then be used to undertake the full assessments which will be done online - LBTH officers would 'quality assure' the external assessments (a 10% sample) - Officers to complete EA - Based on the assessment scores and geographical / beneficiary targeting, LBTH officers would make the grant recommendations
Grant decisions - Finalise report - Take report through decision making process - Publish decision -	29 June – 10 July 2 weeks	This is an extremely challenging duration in which to arrive at the decision - There will be a need to ensure fast-tracking at all stages
Notify Organisations	w/c 13 July	
Appeals - Receive and consider appeals - If appeal warranted then application re-scored - Final decisions by the Commissioners - Notification to those that made appeal	13 Jul – 17 Jul 1 week	Appeals are only to be considered if representation is made in writing against the following: • There has been bias in the process • The decision made is one no reasonable person could make
Grant Agreement Negotiations - Negotiate and Grant Offer Letter and sign Agreement	20 Jul - 31 Aug 6 weeks	This may be an extremely challenging duration in which to complete the process - However, the situation can be improved significantly if officers structure Grant Specifications with agreed funding levels (which are adhered to in the decision making process) and clearly defined standardised outputs
New programme starts	1 September	

4.   COMMENTS OF THE CHIEF FINANCE OFFICER

4.1   The report sets out for Commissioners' consideration a methodology and process for delivery of a 3 year mainstream grants process from 1st September 2015. The total budget for the current year, across respective Directorates is £3.06m, and the report sets out a notional allocation within each of the five recommended themes. That does not restrict the Commissioners from reallocating resources, within the overall budget provision once applications

have been received and assessed. The report also recommends an annual top-slice of up to £100k to ensure additional corporate requirements, to strengthen corporate governance arrangements, as set out in the best value action plan. Future budget allocations, beyond March 2016 will determined by the Council, as part of its annual budget process, taking full account of statutory requirements, and the potential impact of this will need to be reflected in final service agreements with grant recipients.

4.2   As an addendum to the report, Commissioners will be asked to consider representations and feedback from Members as part of the cross party workshops and Overview and Scrutiny Committee.

5.   <u>LEGAL COMMENTS</u>

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 decide the structure, budget allocations (within available funds), theme specifications and processes for a mainstream grants programme for the period 2015 – 2015, these are executive functions 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 grants 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 other statutes. As individuals may provide financial support to community organisations, the general power may support the giving of grants to those organisations, 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. Information is set out in the report as to the connection between the proposed theme specifications and the Council's relevant strategies.

5.5.   The target outcomes of the Children and Young People and Families theme may be supportive of a number of the Council's functions. Without seeking to specify these in a comprehensive way, the following of the Council's general duties seem particularly relevant:

- To take such steps as it consider appropriate for improving the health of the people of Tower Hamlets (National Health Service Act 2006).
- to safeguard and promote the welfare of children in need in Tower Hamlets and, so far as consistent with that duty, to promote the upbringing of such children by their families, by providing a range and level of services appropriate to those children's needs (Children Act 1989).
- To make arrangements to ensure that Council functions are discharged having regard to the need to safeguard and promote the welfare of children (Children Act 2004).
- To provide facilities for recreation and social and physical training and sufficient educational and recreational leisure-time activities for qualifying young people in Tower Hamlets (Education Act 1996).

5.6.   The target outcomes of the Prevention, Health and Wellbeing theme may support discharge by the Council of its public health functions under the National Health Service Act and, to the extent that they concern children, may also support the functions listed in paragraph 5.5 above. In relation to vulnerable adults, the Council is required to meet the needs of individuals in need of care and support or carers in need of support in circumstances set out in the Care Act 2014. The Council has a number of general duties under the Care Act, which include –

- To promote an individual's well-being. Well-being is defined in the Act and includes control by the individual over day-to-day life. In exercising this general duty the Council must have regard to the importance of preventing or delaying the development of needs for care and support as well as the importance of the individual participating as fully as possible.
- To prevent needs for care and support. The Council must provide or arrange for the provision of services, facilities or resources, or take other steps which it considers will contribute towards preventing, delaying or reducing the need for care and support by adults and the need for support by carers in Tower Hamlets.
- To promote integration of care and support. The statutory guidance supporting the Care Act includes guidance for Council departments working more closely together and in a joined up manner.
- To promote diversity and quality in the provision of services within the locality. The Council must ensure that commissioning and procurement practices deliver the services that meet the requirements of the Care Act.

5.7.   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 development of the third sector.

5.8.   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).

5.9.   Part of complying with the Council's Best Value duty is ensuring that the Council obtains value for money. Paragraph 3.4 of the main report refers to commissioning of the grants. For clarity the Council must operate a fair and open application procedure to process requests by groups to obtain funding. Requests should be measured against a predetermined set of criteria and the criteria themselves must be fair and transparent. The predetermined criteria must be the only method which is used to determine who obtains a grant and the level of grant based upon the quantity and quality of delivery. It follows that the grant agreements should include a clear monitoring process against defined parameters in order for the Council to demonstrate either that delivery was in line with the application and therefore, the grant achieved its purpose or to provide clear delineation where outcomes were not achieved and the reasons for such failure are apparent.

5.10.   The main distinction between a commissioned grant and a procured service is the removal of a profit element. Where a grant purports to include profit then it ceases 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 mainstream grants process ensures that commissioned grants do not include a profit element. The applications presented by groups should identify the level of grant requested and 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 presenting a single request for payment 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 at the end of the project.

5.11.   The report refers to the top slicing of the budget in order to pay for the involvement of the CVS. However, as a grant, this needs to be subjected to the same application procedure as other grants to allow others who could provide similar services the same opportunity to access this part of the funding.

5.12.   Consideration should also be given to the nature of the services being provided by the CVS and whether or not this is actually a commissioned service. If so then this service should be subjected to an appropriate procurement in accordance with the Procurement Procedures and the law on public procurement, in particular the applicable requirements of the Public Contracts Regulations 2015.

5.13.   When determining what support to provide to community organisations, 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). The Council must undertake an equality analysis to determine the effect on persons due to a change in the grant themes and may need to consult such that it obtains a

proper understanding of the nature of the needs of those affected by the changes. The report sets out the approach to equality analysis, which involves a strategic analysis at this stage, which is proposed to be followed by more detailed analysis in relation to proposed awards.

5.14. It is clear that at least two of the themes in the programme are targeted by reference to age, either partly or wholly, which is a protected characteristic under the Equality Act 2010. The Commissioners may take the view that this does not give rise to any unlawful discrimination, on the basis that, when viewed as a whole, the programme is intended to benefit people of all ages. With this in mind, the themes and funding have been aligned with the Council's statutory functions and objectives, which are in turn related to needs identified in the borough.

5.15. The report indicates that individual grant applications may be targeted at groups who share a particular protected characteristic under the Equality Act 2010. Care must be taken in considering such applications to ensure that support is not given for unlawful discrimination under the Act. Further equality analysis may be required in this regard. To the extent that a scheme proposes positive action, this will need to be justified by reference to the Equality Act. For example, it may be that evidence is provided of a disadvantage connected to a protected characteristic and that the proposal is a proportionate means of overcoming or minimising that disadvantage

5.16. Any consultation carried out for the purposes of assessing the impact of the proposed mainstream grants process should comply with the following criteria: (1) it should be at a time when proposals are still at a formative stage; (2) the Council must give sufficient reasons for any proposal to permit intelligent consideration and response; (3) adequate time must be given for consideration and response; and (4) the product of consultation must be conscientiously taken into account. The duty to act fairly applies and this may require a greater deal of specificity when consulting people who are economically disadvantaged. It may require inviting and considering views about possible alternatives.

6. **ONE TOWER HAMLETS CONSIDERATIONS**

6.1. The contribution of Third Sector organisations to delivering One Tower Hamlets objectives and priorities are 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.

6.2 The opportunities offered through the Main Stream Grants programme will play a key role in delivering the aims of One Tower Hamlets.

6.3 It should be understood that the primary purpose of the Main Stream Grants programme is to '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. Services are provided by Third Sector Organisations.

6.4 With the current Main Stream Grant programme scheduled to end on 31 August 2015. This means that the new programme will run from 1September.

7. <u>SUSTAINABLE ACTION FOR A GREENER ENVIRONMENT</u>

7.1 The funding priorities within the MSG Programme support the spirit of SAGE. The Council, as a funder of third sector proposals that meet these priorities assists in the implementation of the strategic aims of SAGE.

8. <u>RISK MANAGEMENT IMPLICATIONS</u>

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, each project/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. All extended projects will continue to be strictly monitored to ensure compliance.

9. <u>CRIME AND DISORDER REDUCTION IMPLICATIONS</u>

9.1 The services that will be provided through the MSG programme cover a broad spectrum of activities 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. <u>EFFICIENCY STATEMENT</u>

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.

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Linked Reports, Appendices and Background Documents

Linked Report
  • None

Appendices

The following appendices are attached to this report.

Appendix 1 - The funding framework

Appendix 2.1 to 2.5 - Theme Specifications

Appendix 3 - MSG Application Form

Appendix 3a – MSG Application Guidance

Appendix 4 - MSG Assessment Process

Appendix 5 - Equality Assessment

Appendix 6 - Guiding Principles and Governance Arrangements

Background Documents – Local Authorities (Executive Arrangements)(Access to Information)(England) Regulations 2012
  • None

Officer contact details for documents:
  • N/A