


Commissioner Decision Report 27 May 2015	 TOWER HAMLETS
Report of: Chris Holme, Acting Director of Resources	Classification: Unrestricted
Tower Hamlets Community Fund	

Originating Officer(s)	Dave Clark, Acting Head of Resources Development & Renewal Everett Haughton, Third Sector Programmes Manager, Development & Renewal
Wards affected	All wards
Key Decision?	Yes
Community Plan Theme	A Prosperous Community / A Safe and Cohesive Community/ A Healthy and Supportive Community

Executive Summary

The Corporate Grants Programme Board met on 11 March 2014 and agreed that the previous programmes: The Mayor's Community Chest and Mayor's Community Events Initiative – be combined into a new Community Fund for 2014/15 onwards.

Learning the lessons of the previous programmes a proposed Community Fund was developed with a new application form, eligibility check form and assessment form.

Further discussions were held with the Programme Board and Senior Managers to refine the focus of the new fund and the level of funding per grant award.

For the proposed Tower Hamlets Community Fund, individual awards will be available up to a maximum £10,000. The activities eligible to be funded within the new programme will be targeted towards organisational development activities and the delivery of small-scale innovative projects. Community events may be funded but existing Council grant programmes in areas such as Sports, Arts and Culture should be utilised rather than this fund. The maximum award for an event would be £5,000.

Recommendations:

The Commissioners are recommended to:

- 1 Approve the Tower Hamlets Community Fund as described in this report.
- 2 Agree the decision making process as set out in paragraphs 3.10 – 3.12.
- 3 Agree the timescale for the launch of the Fund as set out in paragraph 3.13.
- 4 Consider the attached Tower Hamlets Community Fund documentation including the application form, eligibility criteria, assessment forms and the factsheet; and decide on any required amendments.

1. REASONS FOR THE DECISIONS

- 1.1 A small grants programme provides a valuable source of funding to local Voluntary & Community Sector organisations. This is a particularly important source of support for those organisations that are not traditionally supported through the Council's major grant regimes such as the Main Stream Grants Programme.
- 1.2 This funding initiative builds on the success of the Council's previous small grants programmes: the Mayor's Community Chest and the Mayor's Community Events initiative. The new 'integrated' fund seeks to ensure that supported activities make effective contributions to the Community Plan and also targets operational and organisations improvements within the local voluntary & community sector.

2. ALTERNATIVE OPTIONS

- 2.1 If proposals for the new programme are not agreed, other options are outlined below.
 - a) To not approve the Tower Hamlets Community Fund and not launch a small grants programme.
 - b) To not approve the proposed Tower Hamlets Community Fund in its current form but ask for revised proposals

3. DETAILS OF REPORT

Background

- 3.1 Tower Hamlets Council has a history of providing small grants programmes to support voluntary and community organisations.
- 3.2 The proposed Tower Hamlets Community Fund will build on the previous Mayor's Community Chest and Mayor's Community Events initiatives. The

weaknesses in these schemes have been addressed in the new integrated Tower Hamlets Community Fund.

Funding

- 3.3 It is proposed that the Community Fund is established with resources of £200,000 for the 2015-16 financial year, utilising the residual balance held within the Mayor's Priority Reserve. Uncommitted funding of £20,195 will also be carried forward from previous years, meaning that the total available budget will be £220,195, with the likelihood that more funding will become available if grant recipient organisations do not qualify for the full grant that has already been allocated to them.

Application and Assessment Process

- 3.4 Building on the experience of the previous Mayor's Community Chest and Mayor's Community Events funds the application form and assessment documents have been revised. The Application Form is attached as APPENDIX 1.

- 3.5 Additional information requested from the applicant for this fund includes:

- The names of four members of the applicant organisation's management committee who are resident in the borough – this will help ensure that local organisations are awarded funding
- More information on where the event, activity or project is being delivered from – this will give a better idea of which parts of the borough are benefitting from the grant funding
- More emphasis on the difference the project will make and the evidence of need that can be provided – this will help justify the grant award
- A specific section on how the proposed event, activity or project meets the Community Plan outcomes – this will help describe how the funding scheme fits in with the Council's wider priorities

- 3.6 The following are key eligibility criteria for the Fund: if these are not fully met the applicant will not be eligible for support.

- Be a not-for-profit group based-in Tower Hamlets
- Be a properly constituted organisation with a governing document such as a constitution
- Have a track record of delivery in Tower Hamlets
- Have a Management Committee or Board of Trustees with at least 4 of its members living in the borough
- Have an Equal Opportunities Policy that sets out how the organisation and services will be provided and how it will abide by anti-discriminatory legislation
- Have a Health and Safety Policy in place that sets out how the organisation will meet the Health and Safety (including Fire Safety) legislation.
- Have a bank or building society account (in the organisation's name) which has at least 2 signatories from the Management Committee or Board of Trustees, who are not related

- Have current and appropriate insurance that covers its activities, premises & equipment, staff and volunteers as well as service users where relevant
- 3.7 Other eligibility considerations are also proposed for this Fund. The full listing is set out in APPENDIX 2. Each application will be assessed to determine if the eligibility criteria are met.
- 3.8 Once eligibility is established the application is assessed on the merits of the proposal. The application form that will be assessed will include the following Sections:
- About the project
 - About the beneficiaries
 - The project budget
 - The need for the project, event or activity
 - Project publicity and promotion
 - Involving all sections of the community
 - The difference the project / activity will make
 - How the proposed activity/project will contribute to the aims and aspirations of Tower Hamlets Community Plan themes and the principles of One Tower Hamlets.
- 3.9 The Grant Officer completes the Assessment Form (APPENDIX 3). The outcome of the assessment will be summarised within the report which is subsequently presented to the Commissioners.

The Decision Making Process

- 3.10 With the Tower Hamlets Community Fund being a rolling programme there are no set deadlines for applications to be received.
- 3.11 It is proposed that at the end of each month all applications received up to that date are assessed by the Grant Officer, summarised in a report, finance and legal comments added and then the report is published ahead of the Commissioners decision in a public meeting.
- 3.12 The anticipated monthly timeline is set out below:
- End of the Month – applications received
 - Week 1 – Officer assessment
 - Week 2 – Report prepared
 - Week 3 – Finance & Legal Comments added, Report published
 - Week 4 - Commissioners meeting in public, Applicants notified of the decision

The Launch

- 3.13 The proposed timeframe for the launch of the new fund is set out below:
- Report to Commissioners to agree the programme including the criteria, forms and process 27th May 2015
 - Scheme publicised in East End Life w/c 6th July 2015
 - Support for potential applicants – workshops throughout July 2015

- Launch of scheme – Details/application posted on Council’s website 3rd August 2015

3.14 A detailed Factsheet has been produced for this funding programme. The document will be available on the website and will provide a comprehensive description of the Tower Hamlets Community Fund. The Factsheet is attached as APPENDIX 4.

4. COMMENTS OF THE CHIEF FINANCE OFFICER

4.1 The Community Fund was established in the 2014-15 financial year following the merging of the Community Chest and Community Events budgets into one programme. Grants were awarded following various bidding rounds, with £20,195 of resources remaining uncommitted and still available for allocation as at 31 March 2015.

4.2 This report proposes to make available a further £200,000 of funding for the Community Fund in the 2015-16 financial year, utilising resources that have previously been set aside in reserves for supporting third sector organisations. With the unallocated funding brought forward, this will establish a fund of £220,195, although it should be noted that additional resources will be ‘recycled’ into the Community Fund if organisations that have already been awarded funding do not meet the conditions attached to their previously successful grant awards and therefore do not receive their full allocation.

4.3 It should be noted that this is “one-off” budgetary provision and any proposals for later years will need to be incorporated into future budget processes. Any funding not committed during 2015-16 will carry forward into the following financial year.

4.4 All grant allocations under the Community Fund will be independently assessed by the Council’s Third Sector Team with recommended awards, based on officer assessment, submitted to the Commissioners for approval as part of the directions issued by the Secretary of State on the 17th December 2014.

4.5 Once grants are awarded following the assessment process, the existing payment control arrangements must continue to operate to ensure that targets and grant criteria are met and in order to protect the Council’s resources.

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. The report seeks approval for a new grants scheme and proposes that any individual grants will be subject to approval by the Commissioners in line with the directions. Any grants awarded by the Council should be supported by and consistent with the Council's statutory functions. In this instance, the awards are to be aligned with the objectives of the Tower Hamlets Community Plan, particularly the cross-cutting theme of One Tower Hamlets.
- 5.3. Section 1 of the Localism Act 2011 gives the Council a general power of competence to do anything that individuals generally may do, subject to specified restrictions and limitations imposed by other statutes. This general power of competence may support the giving of grants to community groups, provided there is a good reason to do so. There may be a good reason for giving a grant if it is likely to further the Council's sustainable community strategy under section 4 of the Local Government Act 2000, which is contained within the Tower Hamlets Community Plan. The scheme thus appears to be within the Council's statutory functions, although each grant should be examined to ensure that it contributes to the Community Plan objectives and is not made unlawful by some other statutory provision.
- 5.4. 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 scheme is proposed to be open to all local third-sector organisations and thus has elements of competition and transparency which may contribute to achieving value for money. The proposed eligibility and award criteria, and officer recommendations in relation to these may also contribute to the Council achieving best value. The Council should enter into grant agreements with award recipients, incorporating a robust review and contract monitoring process and appropriate performance related payment mechanisms, to ensure that the funds are protected and that the Council can demonstrate the genuine benefit received from the money spent.
- 5.5. In carrying out its functions, 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 do not (the public sector equality duty). The report sets out how such matters will be taken into account as part of the scheme. Equality analysis needs to be a part of the application and evaluation process. Applications should be considered against the borough equality analysis, which supports the Community Plan and the Council's single equality framework and is updated from time to time.
- 5.6. The Council must ensure that any grants are given out on a non-profit basis. Where a grant includes a profit element it no longer remains a grant and would be considered to be procurement activity. In such circumstances this

means that the Council would have failed in its duties to properly procure the subject matter of the grant in accordance with the Council's constitution and the prevailing law.

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 Tower Hamlets Community Fund will play a key role in delivering the aims of One Tower Hamlets. As set out in the report, all applicants will have to demonstrate their own equality policies and how they will contribute to the principles of One Tower Hamlets. One Tower Hamlets is the aspiration of the Tower Hamlets Partnership to reduce poverty and inequality, bring local communities closer together and provide strong leadership by involving and empowering people and giving them the tools and support to improve their lives. Projects which further the One Tower Hamlets objective are likely to also further the objectives inherent in the Council's public sector equality duty.

7. SUSTAINABLE ACTION FOR A GREENER ENVIRONMENT

- 7.1 The funding priorities within the MCG 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. 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, 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. CRIME AND DISORDER REDUCTION IMPLICATIONS

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. EFFICIENCY STATEMENT

10.1 The Council's Commissioning Framework which forms part of the Third Sector Strategy provides transparency and clarity in the delivery of desired outcomes along with the cost of providing those outcomes to facilitate more efficient alignment of funding allocations.

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 Mayors Community Chest 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

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- NONE.

Appendices

- Appendix 1 Draft Application Form and Guidance
- Appendix 2 Draft Eligibility Criteria
- Appendix 3 Draft Assessment Criteria
- Appendix 4 Draft Factsheet

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

Officer contact details for documents:

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