


<b>Commissioner Decision Report</b> 1 <sup>st</sup> March 2016	
<b>Report of:</b> Zena Cooke – Corporate Director Resources	<b>Classification:</b> Unrestricted
<b>Initial proposals for a Cross Party Forum on Grants</b>	

<b>Originating Officer(s)</b>	Steve Hill – Head of Benefits Services
<b>Wards affected</b>	All
<b>Key Decision?</b>	Yes
<b>Community Plan Theme</b>	<b>One Tower Hamlets</b>

### Executive Summary

The council has made significant progress in relation to the Best Value Action Plan on grants. A key action within the plan is to establish governance arrangements that include a “cross-party forum” to review and input to the grants decision making process. The development of and agreement to appropriate governance arrangements is therefore critical, to ensure the priorities, knowledge and views of Executive and non-Executive Members inform the grants decision making process.

### Recommendations:

The Commissioners are recommended to:

1. Agree in principle the council’s proposal that a Sub-Committee of the Overview and Scrutiny Committee should act as the “cross-party forum” to be established to review Officer recommendations prior to their consideration at a Decision Making Meeting to the satisfaction of the Commissioners requirement that a suitable mechanism be established to advise them.
2. Agree in principle that all reports requiring a Commissioners’ Decision Making Meeting in Public are presented to the Overview and Scrutiny Sub-Committee on grants for their consideration in accordance with the council’s Overview and Scrutiny Committee Forward Plan.
3. Subject to agreement of the above, to receive a further report at the April Commissioners’ Decision making meeting which will set out the detailed proposals including clear terms of reference for the Sub-Committee.

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

- 1.1 The voluntary and community sector is an important part of the fabric of life in Tower Hamlets and plays a unique and crucial role in the delivery of services to residents of the borough. The broad range of third sector organisations in the borough also contribute towards building social capital and fostering community cohesion.
- 1.2 The impact of the Directions on the council has inevitably resulted in a number of significant changes to the way the council makes decisions in relation to grant making. As well as having consequences for the voluntary and community sector, there have been implications regarding members having timely, transparent and informed input to the grants decision making process.
- 1.3 Member input is vital at the development and delivery stage to ensure the overall objectives of the grant scheme are being met, that a fair geographical distribution of funding is being proposed and achieved and that the full range of community needs are being met in accordance with the council's community plan and strategic priorities.
- 1.4 The recommendations set out in this report will enable the council to deliver the actions set out in the Best Value Action Plan in relation to governance and decision making and to provide a mechanism for the council to take back full responsibility for grants decision making.

## **2. ALTERNATIVE OPTIONS**

- 2.1 The council is required to comply with Secretary of State Directions and to deliver the actions set out in the Best Value Action Plan. These proposals extend transparency and propriety of decision-making, an integral part of the best value action plan. No alternatives are proposed.

## **3. DETAILS OF REPORT**

- 3.1 The Directions issued to LB Tower Hamlets on 17 December 2014 required: 'Within 3 months from the date of these Directions i.e. 17 March 2015 to draw up and agree with the Commissioners a strategy and action plan for securing the Authority's compliance with its best value duty (to include as appropriate complying with the specific directions set out below and putting in place robust and transparent arrangements for grant decisions), and to submit this to the Secretary of State.' Annex B of the Directions removed from the Council all powers relating to the making of any grants under any statutory power and vested them in the Commissioners. Direction 9 of Annex A of the Directions requires that the Authority should provide their views on specific grants as requested by Commissioners. The Commissioners have discharged the Annex B Direction by establishing a Decision Making Meeting in public where the vast majority of grant decisions are taken. The only exception to this has been emergency funding decisions which require urgent action and details of every

decision taken outside the public meeting are now reported to the next public meeting for noting. In December 2014 the Commissioners requested that a cross party forum be established, comprising councillors representing all political parties, the geographic spread of the Borough and who would be rigorous about declaring interests in any individual organisation or class of organisation under consideration.

- 3.2 The council has implemented a number of actions set out in the Best Value Action Plan, with the actions either fully implemented or on track to be delivered as planned. The Third Sector Team has been centralised within the Resources Directorate, ensuring opportunities for joined-up working, reducing duplication and increasing efficiency. This has enabled a more focused relationship with the voluntary and community sector, as well as aligning grant making processes within a central service that oversees grant related programmes and related arrangements with the Council for Voluntary Services.
- 3.3 Input from Directorates provides technical evaluation and technical support to determine performance measures against which the dedicated team monitors the voluntary and community sector organisations in receipt of grants. Given the continued focus on sound financial management and the nature of grant making being centred on financial performance and evaluation, the centralised function sits within the remit of the Section 151 officer, who has corporate responsibility for grant management, including process, compliance, validation, performance monitoring and coordination.
- 3.4 The Best Value Action Plan on Grants includes within the heading “Governance Arrangements” two recommendations with associated actions that relate specifically to a transparent, executive and cross party decision making process.
- 3.5 The two recommendations with associated actions are as follows:
  1. Ensure and embed open and transparent decision-making
    - Develop Mayor and cross-party consultation and review Forum
  2. Review arrangements post Commissioners for future executive decision making.
    - Establish cross party working group to develop proposals for post Commissioners for future arrangements
    - Discuss proposals with Commissioners
    - Agree proposals through Cabinet
    - Briefing and training of members in relation to new proposals
- 3.6 Currently grants are considered at Commissioners’ Decision Making Meetings in Public, operating over a 6 weekly cycle. These meetings which formally commenced on 29th July 2015 are chaired by the Lead Commissioner, are attended by lead Members and the leaders of the opposition groups are invited to attend. The meetings are supported by senior officers of the Council.

- 3.7 These meetings are controlled and managed through the council's Forward Plan process supported by Democratic Services. Whilst the implementation of "meeting in public" arrangements has ensured transparency, there is an opportunity to increase cross party involvement and particularly Overview and Scrutiny.
- 3.8 Now that the Commissioners have completed the task of allocating Mainstream Grants (MSG), the Third Sector Team have been centralised and consolidation of grants is well underway, it is considered timely to consider and set out how the process of the management of grants allocation will operate when decision making responsibility returns to the council.
- 3.9 The council's expectation is that decision making responsibility will lie with the Mayor in Cabinet once the Secretary of State concludes that the powers under Annex B are no longer required. This will need to be supported by a process that consolidates the improvements made in developing and delivering the 2015 to 2018 MSG scheme and reflects the added dimension of direct democratic accountability in decision making to provide a robust framework for future funding allocation processes. There may be an interim stage in the process as part of the transition out of the Direction regime.
- 3.10 Member input is vital at the development and delivery stage to ensure the council's overall objectives are being met through the grant scheme criteria and allocations, that a fair geographical distribution of funding is being proposed and that the full range of community needs identified as a priority are being met. Further at the scrutiny stage, the council's Overview and Scrutiny Committee contributes to the council's approach to continuous improvement and value for money.
- 3.11 It is proposed that scrutiny becomes a formal part of the governance arrangements through a sub-group of the Overview and Scrutiny Committee reviewing all reports in advance of the Commissioners' Decision Making meeting in Public. These reports will be presented to the Overview and Scrutiny Sub-Committee for their consideration and comment in accordance with the council's Overview and Scrutiny Committee Forward Plan.
- 3.12 It is proposed that a further report on the cross party Forum arrangements is presented to the April Commissioners' Decision Making Meeting for consideration. The report will set out the detailed proposals on the governance arrangements, including the Sub-Committee's composition, its Terms of Reference, the Sub-Committee's training requirements (such as potential conflicts of interest) and the process by which Executive and Non-Executive members' views will be reflected and reported both prior to and after the Decision Making meeting.
- 3.13 Quarterly performance reports on grants will continue to be published in line with the Overview and Scrutiny Committee, Cabinet and Commissioners' Decision-Making Meeting timetables.

3.14 It is proposed that the Overview and Scrutiny Sub-Committee will be formally established at the May Annual General Meeting of the Council.

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

4.1 There are no financial implications arising from the recommendations in the report and all costs can be met from within existing resources.

#### **5. LEGAL COMMENTS**

5.1 The Council has a duty to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness by virtue of section 3 of the Local Government Act 1999. This is known as its Best Value Duty.

5.2 Under sections 15(5) and 15(6) of the Local Government Act 1999 the Secretary of State for Communities and Local Government issued legally enforceable directions in order to ensure that the Council complies with its obligations under part 1 of the Local Government Act 1999 and that until 31 March 2017. The Council's function in relation to grants will be exercised by appointed Commissioners acting jointly or severally.

5.3 In addition when exercising its functions under this legislation by making decisions about grants the Council must comply with section 149 of the Equality Act 2010 in that it must have due regard to the need to eliminate unlawful conduct under persons who share a protected characteristic and those who do not ( the public sector equality duty).

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

6.1. The council's support of the voluntary and community sector through grants, contributes to the delivery of the One Tower Hamlets priorities and objectives.

#### **7. BEST VALUE (BV) IMPLICATIONS**

7.1 Best Value implications are included within the body of the report.

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

8.1 There are no immediate sustainability or environmental issues to consider.

#### **9. RISK MANAGEMENT IMPLICATIONS**

9.1 The recommendations made in this report will minimise the risk of failing to implement the actions agreed in the Best Value Action Plan on grants and the requirements of the Directions made by the Secretary of State.

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

10.1 There are no immediate Crime and Disorder reduction implications.

## **11. SAFEGUARDING IMPLICATIONS**

11.1 There are no immediate Safeguarding implications.

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

#### **Linked Report**

- None

#### **Appendices**

- None

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

- None

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

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