


Commissioner Decision Report 12th April 2016	 TOWER HAMLETS
Report of: Zena Cooke, Corporate Director Resources	Classification: [Unrestricted or Exempt]
Community Buildings and Heritage Buildings	

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

Executive Summary

This report sets out the proposals for the planned reallocation of the funding that was previously allocated to the Community Faith Buildings Support Scheme (CFBSS). The proposed Community Faith Buildings Support Scheme was reviewed following a complaint in respect of the Scheme and it was decided to abandon the Scheme.

The new proposals are intended to support the Council's strategic priorities and enhance the funding available to the council's existing Historic Buildings Grant Scheme. The proposals will also ensure that the actions arising from the Council's review of community buildings will have sufficient resources.

Subject to Commissioners approval, a report will be presented to the Mayor in Cabinet to approve a virement of £300k to the Historic Buildings Grant Scheme and £1.976m to the capital programme for Community Buildings and support the Voluntary and Community Sector action plan.

Recommendations:

The Commissioners are recommended to:

1. Note the proposals to reallocate the funding of approximately £2.276m previously set aside for the Community Faith Building Scheme as follows:

A total of £300k (£100k per year for three years) for the council's existing Historic Buildings Grant scheme; and

A total of £1.976m to be allocated to deliver property related actions arising from the Community Buildings review and support the Voluntary and Community Sector action plan.

2. Note the proposed approach in terms of advice, information and guidance to the 47 organisations that applied for round 2 CFBSS funding.

1. REASONS FOR THE DECISIONS

- 1.1 This report is required to clarify the Council's position regarding the former Community Faith Buildings Support Scheme and the proposed use of the funding allocated to the Scheme.

2. ALTERNATIVE OPTIONS

- 2.1 The Council could choose not to relocate the CFBSS funding but this would not achieve the Council's strategic priorities in relation to the Borough's heritage buildings or the community buildings extensively used by voluntary and community sector organisations.

3. DETAILS OF REPORT

Background

- 3.1 In October 2012, Cabinet agreed on devising a Community Faith Buildings Support Scheme (CFBSS). The purpose was to offer assistance to faith communities to repair, adapt and improve buildings in Tower Hamlets in which faith-based activities occur. The scheme was allocated £3m of which £225,000 (7.5%) was for management and administration costs.
- 3.2 The scheme was to consist of 3 rounds. Round 1 was allocated £600,000 and projects could apply for up to £25,000. The approved portfolio was made up of 42 projects and was completed with underspends totaling £75,940.
- 3.3 Round 2 of the scheme was allocated a budget provision of £1,313,000 and Round 3 £862,000.
- 3.4 Applications for Round 2 closed in November 2013. However, shortly after the closing date a complaint was received about the Scheme.
- 3.5 It was therefore considered prudent to delay Round 2 decisions of the scheme so that the issues raised by the complainant could be fully considered. At that time, the Council had received 47 applications requesting a total of £7.3m against a total available budget of circa £2.27m.
- 3.6 The complaint was considered and as a result, the Scheme was abandoned.
- 3.7 A number of options for a revised Scheme were initially presented to Commissioners in March 2015 but these were not progressed.

Proposed Scheme and Next Steps

- 3.8 Further work has been undertaken to ensure that proposals for a future Scheme are clearly linked to the Council's strategic priorities and demonstrate value for money to the taxpayer.
- 3.9 The Council already has a scheme in place to support the Borough's heritage buildings. The scheme has operated for a number of years, the criteria, assessment and evaluation are well established and understood. The level of funding available has reduced each year and will only be £25k from 2016/17. It is therefore proposed that the funding for the existing scheme be increased by £100k per year for 3 years in order that more heritage buildings can be protected and enhanced. It is proposed that the Scheme is evaluated at the end of the second year to provide evidence of the impact of the Scheme so as to inform future budget allocation considerations. Details of the grant administration and publicity proposals are attached at Appendix A. A copy of the Historic Buildings Grant application form and guidance note is attached at Appendix B.
- 3.10 The Council is also currently undertaking a comprehensive audit of all its community buildings and will be presenting the findings of the audit to the Mayor in Cabinet. The audit report will set out proposals for the future use of the buildings, the lease and service charge arrangements and consideration of the development of "community hubs". Many of the buildings are in need of maintenance and repair some of which is considerable. Those that are identified as community hubs will require works to be undertaken to change their use to a hub.
- 3.11 The use of community buildings is a key factor in supporting the Borough's voluntary and community sector and it is therefore proposed that the remainder of the £2.276m allocation (less the £300k for the Historic Buildings Grant scheme) is allocated for community buildings. Subject to Commissioners approval, a report will be presented to the Mayor in Cabinet to approve the virement of £300k and the £1.976m to the heritage buildings grant scheme and the capital programme for Community Buildings and support the Voluntary and Community Sector action plan respectively.
- 3.12 It is acknowledged that there are 47 organisations that have had outstanding applications for a significantly long period of time. Some of those organisations applied for funding to be the catalyst for attracting external funding from elsewhere in order to finance large-scale regeneration initiatives. The Council needs to advise each organisation of these proposals and to ensure they are provided with appropriate advice, guidance and support and where possible signposting the potential alternative funding streams.

4. COMMENTS OF THE CHIEF FINANCE OFFICER

- 4.1 The report asks commissioners to note plans for reallocating the funding set aside for the Community Faith Buildings Support Scheme. The remaining funding allocated to the scheme is £2.276m, £797k is currently within revenue reserves and £1.479m is part of the capital programme. Cabinet will be required to approve the budget virements detailed within the report. Any costs associated with administering the revised scheme will be met from existing 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. To the extent that the Commissioners are exercising powers which would otherwise have been the Council's, there is a need to ensure that the Council has the power to make the grant in question.
- 5.3. Section 57(1)(a) of the Planning (Listed Buildings and Conservation Areas) Act 1990, a local authority may contribute towards the expenses incurred or to be incurred in the repair or maintenance of a listed building which is situated in or in the vicinity of their area. Pursuant to this, the Council operates a Historic Building Grants Scheme and awards grant assistance to Listed Buildings, Buildings 'at Risk' or where there is clear public benefit arising from the works.
- 5.4. The Historic Buildings Grants Scheme as well as increasing the capital programme for community buildings is also additionally supported by the Council's general power of competence. 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. There are no such restrictions or limitations.
- 5.5. The Council has a duty 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). Awards of grants are subject to eligibility criteria and information relevant to best value is contained in section 6 of this report.

- 5.6. When exercising its functions, 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 the Act, advance equality of opportunity and foster good relations between persons who share a protected characteristic and those who do not (the public sector equality duty). Information about this is in the One Tower Hamlets section of this report.

6. ONE TOWER HAMLETS CONSIDERATIONS

- 6.1. This report concerns a variety of issues relating to buildings. This includes the refurbishment, lease and maintenance of buildings as well as developing building which can be utilised as community hubs. The Council is working to create a landscape where VCS Organisations from all areas of the local sector have access to good quality buildings that are fit for purpose and well used by the community.

7. BEST VALUE (BV) IMPLICATIONS

- 7.1 A number of Best Value considerations are contained within the body of the report. Where grants are made to organisations, level of awards to will depend on the quality of their individual applications as well as the overall demand for grants during the bidding process.
- 7.2 Additionally, the appraisal processes will take into consideration the overall value for money rating of all proposals; whether that is a grant request, an upgrading plan or some other required intervention.
- 7.3 Looking ahead to the long-term use buildings, there will be ongoing performance monitoring arrangements put in place to ensure that project activities meet the required standards; that the evidencing of achievements and expenditure are accurately recorded and reported.
- 7.4 Levels of outcomes and long-term impact will also be key indicators of performance.

8. SUSTAINABLE ACTION FOR A GREENER ENVIRONMENT

- 8.1 All proposals will need to be fully compliant with Council, local and regional policies and agreed action plans as appropriate.
- 8.2 Organisations will also be encouraged to emulate examples of good practice and where possible to set new standards which will show that Tower Hamlets is at the leading edge service delivery in this regard. In this context, the Council may wish to encourage 'green efforts' by rewarding innovative approaches demonstrated by local grant funded organisations.

9. RISK MANAGEMENT IMPLICATIONS

9.1 There are potential risks with all grant funding and development initiatives and proposals outlined within this report are no less subject to such risks. Some of the key risks which may arise from any funding of external bodies are outlined below.

- funding may not be fully utilised i.e. allocations remain unspent and outcomes/impacts are not achieved
- funding may be used for purposes that have not been agreed e.g. in the case of fraud
- organisations may not have the capacity to achieve their contracted outcomes

9.2 As part of our programme management and assurance arrangements, support will be provided to ensure that all of the above together with other foreseeable risks are minimised.

10. CRIME AND DISORDER REDUCTION IMPLICATIONS

10.1 Many of the Council's Community Buildings alongside others owned or occupied by local VCS Organisations are often used for the delivery of activities and services that have demonstrable effects in reducing crime and disorder.

10.2 We will endeavour to ensure that buildings utilised by people involved in, or at risk of involvement in the criminal justice system will be high on the list of priorities for support through funding and other initiatives related to this programme.

11. SAFEGUARDING IMPLICATIONS

11.1 Where organisations apply grant support, as part of the application process they will be required to provide details of their safeguarding policy if appropriate. The Grant Agreement that funded organisations will be obliged to comply with has a number of requirements in relation to safeguarding.

11.2 Organisations providing services to vulnerable adults and employing staff or volunteers in a position whose duties include caring for, training, supervising or being responsible in some way for them, will be required to fully comply with all necessary safeguarding requirements.

Linked Reports, Appendices and Background Documents

Linked Report

None

Appendices

- **Appendix A – Details of Grants administration and publicity proposals**
- **Appendix B – Heritage Buildings Grant Application Form and Guidance notes**

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

None

Officer contact details for documents:

N/A