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| Commissioner Decision Report Date: 24 May 2016 |  TOWER HAMLETS |
| Report of: Zena Cooke, Corporate Director of Resources | Classification: Unrestricted |
| Post Commissioner Grants Decision Making and Scrutiny Arrangements | |

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

Executive Summary

Following a Best Value Inspection undertaken by Price Waterhouse Coopers during 2014, the Secretary of State for Communities and Local Government issued the Council with Directions on 17th December 2014. The Directions focused on particular areas which had been the subject of the Best Value inspection and which included grants.

As part of the Directions, a Grants Action Plan was developed and agreed. As part of that Plan, a recommendation was to review arrangements post Commissioners for future executive decision-making and the action arising was to establish a cross party working group to develop proposals for future arrangements. A proposal was put to the Commissioners at their Decision Making Meeting on 1st March 2016 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 Commissioners’ Decision Making Meeting and this proposal was agreed. Subsequently, on 4th April 2016 Overview and Scrutiny Committee agreed to establish a cross party forum for grants scrutiny by setting up the Overview and Scrutiny Grants Sub-Committee.

Recommendations:

The Commissioners are recommended to:

1. Consider and agree the proposed future arrangements for grants decision making by the Council and the phased implementation for the council to take back responsibility for its grants decision making.

1. REASONS FOR THE DECISIONS

- 1.1 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 and which has had consequences for the voluntary and community sector. This has also created the need to ensure that Members of the Council have the ability to have timely, transparent and informed input into the grant making process.
- 1.2 The establishment of the Overview and Scrutiny Grants Sub-Committee contributes to the Council's approach to continuous improvement by providing a cross-party forum for grants scrutiny; ensuring the objectives of the grant scheme are being met; and that a fair geographical distribution of funding and community needs are met.
- 1.3 These arrangements will facilitate the opportunity for transferring grant decisions back to the Council and to implement a phased approach that sets out the council's future grants decision making arrangements post the Commissioners.

2. ALTERNATIVE OPTIONS

- 2.1 The commissioners may decide that further work or adjustments to operating arrangements may be required before such time as consideration can be given to transferring grant decisions back to the Council.

3. DETAILS OF REPORT

- 3.1 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 Best Value Action Plan on Grants contains a recommendation to review arrangements post-Commissioners for future executive decision-making.
- 3.2 At their Decision Making Meeting on 1st March 2016, the Commissioners considered a report on the establishment of governance arrangements that included a "cross-party forum" to review and input to the grants decision making process and agreed the recommendations set out in the report.
- 3.3 Subsequently on 4th April 2016 the Overview and Scrutiny Committee established the Overview and Scrutiny Grants Sub-Committee as the cross-party forum to review Officer recommendations on grants prior to their consideration at Commissioners' Decision Making Meetings.
- 3.4 Overview and Scrutiny Committee discussed and agreed the following:
 - Any decision relating to the composition of the Grants Sub-Committee should be made independently of any political bias;

- the Grants Sub-Committee should also include in its membership co-opted non-voting members as required;
- Training would be required to promote and maintain high standards of conduct by Elected and Co-opted Members; and
- Nominees would be sought from the Leaders of the 3 political groups for members of the Sub-Committee.

3.5 As a result of the discussions at Overview and Scrutiny Committee on the report including the appendices relating to Terms of Reference and the Forward Plan, the Committee:

- Agreed to add to the Overview and Scrutiny work programme, pre-decision scrutiny of Officer recommendations regarding grants and award of grants prior to their consideration at a Commissioners' Decision Making Meeting;
- Agreed to the establishment of an Overview and Scrutiny Grants Sub-Committee which will act as a pre-decision scrutiny panel regarding grants or awards of grants prior to their consideration at the Commissioners Decision making meetings;
- Considered and agreed the terms of reference; forward plan; chairing arrangements; and training programme for such Sub-Committee;
- Considered and agreed the composition of the Sub-Committee should consist of five elected members, namely the Chair of Overview and Scrutiny (or his/ her nominated Deputy) and two other Members of Overview and Scrutiny Committee from the administration and one each from the opposition parties with the addition of co-opted non-voting members, the exact number to be agreed; and
- Agreed that a report would be presented to Overview and Scrutiny Committee in 3 months to review the work of the Overview and Scrutiny Grants Sub-Committee and whether changes need to be made to its Terms of Reference or composition.

3.6 Following Overview and Scrutiny Committee's decisions on grants scrutiny arrangements, at the Commissioners Decision making meeting on the 12th April 2016, the Commissioners advised they would be writing to the Mayor to invite the Mayor and/or his delegate to be part of future Commissioners' Decision Making Meetings in a non-voting capacity. In addition, Councillor Pierce was invited to attend in his scrutiny role, to offer Member comments arising from the review of Officer recommendations on grants through the Overview and Scrutiny Grants Sub-Committee.

3.7 These arrangements now facilitate the opportunity for the implementation of a phased approach that empowers the council to take back responsibility for its grants decision making and provides sufficient assurance to the Secretary of State.

3.9 It is proposed that the current arrangements for grants decision making will be maintained post the Commissioners. The Overview and Scrutiny Grants Sub-Committee will continue to provide cross-party scrutiny and feedback on

grants recommendations and report back to the Mayor in Cabinet who would make decisions on grants. This model of Executive Mayoral decision in Cabinet will replace the current Commissioners Decision making meetings.

- 3.10 The proposed arrangements will ensure the continuation of an open and transparent process and will require minimal change in terms of both the governance and administrative arrangements.

4. COMMENTS OF THE CHIEF FINANCE OFFICER

- 4.1 There are no additional financial implications as a result of the recommendations within this report.

5. LEGAL COMMENTS

- 5.1 Pursuant to Directions made by the Secretary of State on 17 December 2014, the Council's functions in relation to grants are exercised by appointed Commissioners acting jointly or severally.
- 5.2 By virtue of Directions made by the Secretary of State on 17 March 2015 the Council was required to draw up and agree with the Commissioners a strategy and action plan for securing the Authority's compliance with the best value duty. The agreed Best Value Strategy and Action Plan includes a Grants Action Plan which contains provision to review arrangements post Commissioners for future executive decision making, to include a cross-party forum to participate in the process.
- 5.3 The Overview and Scrutiny Committee has duties to review and scrutinise decisions made or other action taken in the discharge of executive functions which already includes pre-decision scrutiny of recommendations to Cabinet and it can extend that remit to specific pre-decision scrutiny of grant applications. The Committee has power under Section 9FA of the Local Government Act 2000 to arrange for the discharge of its functions by a sub-committee and has appointed the Overview and Scrutiny Grants Sub-Committee to undertake its role in this respect.
- 5.4 The Local Government and Housing Act 1989 requires that the sub-committee be subject to political balance and may include persons who are not members of the authority but any such persons are not entitled to vote. Non-voting members do not count towards calculating the political balance.
- 5.5 The proposals in this report will fulfil the requirement of the Grants Action Plan referred to in Paragraph 5.2 above.
- 5.6 When taking action, 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). Matters relevant to this duty are set out in the One Tower Hamlets section of the report.

6. ONE TOWER HAMLETS CONSIDERATIONS

- 6.1. The council's support of the voluntary and community sector through grants, contributes to the one tower hamlets priorities and objectives.

7. BEST VALUE (BV) IMPLICATIONS

- 7.1 Compliance of this duty has been a feature, to the extent relevant, of the council's action in response to the Directions.

8. SUSTAINABLE ACTION FOR A GREENER ENVIRONMENT

- 8.1 There are no immediate sustainability or environmental issues arising from this report.

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 safeguarding risks or benefits from the proposals detailed in the report.

Linked Reports, Appendices and Background Documents

Linked Reports

- **Commissioners Decision Making Meeting 1 March 2016:** Initial Proposals for a Cross Party Forum on Grants
- **Overview and Scrutiny Committee 4 April 2016:** Establishment of an Overview and Scrutiny Grants Sub-Committee

Appendices

- NONE

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

- NONE

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