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| Commissioner Decision Report 5 July 2016 |  TOWER HAMLETS |
| Report of: Zena Cooke, Corporate Director Resources | Classification: Unrestricted |
| Grants Review – Commissioning Intentions | |

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| Originating Officer(s) | Mohammed Ahad – Community Programmes Officer |
| Wards affected | All wards |
| Key Decision? | Yes |
| Community Plan Theme | One Tower Hamlets |

Executive Summary

A key action within the refreshed Voluntary and Community Sector (VCS) Strategy is to move Council grants, where appropriate, to an outcome based commissioned approach. A comprehensive review of all existing grants is being undertaken to identify which grants could become commissioned services and to establish the timeframe within which that would happen.

Recommendations:

The Commissioners are recommended to:

1. To note the report and that the outcome of the review will be reported to the next meeting.

1. REASONS FOR THE DECISIONS

- 1.1 A review of existing Council grant streams is required in order to identify which streams are to be commissioned in future. This review is necessary in order to meet some of the actions within the VCS Strategy Action, including identifying *“clear processes for transitioning specific grant funding streams to commissioning”*

2 ALTERNATIVE OPTIONS

- 2.1 Refreshing the VCS Strategy and developing a new action plan was a requirement within the Best Value Action Plan. Work has now commenced on delivering against the VCS Strategy action plan, including moving towards an outcomes based commissioned approach, where appropriate. No alternative options are proposed.

3. DETAILS OF REPORT

3.1 After extensive consultation with the Tower Hamlets Council for Voluntary Services, The Voluntary and Community Sector, Businesses, Council staff, elected members and Commissioners the refreshed VCS Strategy and Action Plan was approved by the Mayor in Cabinet on 5th April 2016.

3.2 A key part of the strategy is a move from grant funding to commissioned services. In particular the Strategy highlights:

“All council funding to the VCS will be reviewed to ensure it is contributing to priority outcomes and with a general preference for commissioning rather than grants. The model will ensure that funding processes are transparent and fair and are clear on how provision is contributing to outcomes. There will be a coordinated process for transition from grants to commissioning for particular funding streams, which will be transparent and communicated in a clear and timely way to grant funded organisations.”

Grant funding will however remain appropriate in some circumstances, for specific purposes, where there is a clear case for funding to be provided by grant rather than commissioning and a clear benefit to the service being funded.

3.3 The Council will be using its grants register as a mechanism to identify which grants could be commissioned in future. The relevant grant leads in Directorates are reviewing their existing grants to confirm the future arrangements for each grant and the timeframe for those that will become commissioned services. The review will be completed by the end of July 2016.

3.4 A further report detailing the outcome of the review will be presented to the next Commissioners Decision Making Meeting on 27th September 2016.

4. COMMENTS OF THE CHIEF FINANCE OFFICER

4.1 The Council is undertaking an Outcomes Based Budgeting approach to the delivery of its Medium Term Finance Strategy. The proposals set out in this report are therefore consistent with that approach and will assist in ensuring that the Council focusses its limited resources on its priority outcomes and maximises value for money.

4.2 There are no direct financial implications from this report.

5. LEGAL COMMENTS

5.1 The Tower Hamlets Community Plan sets out the vision and priorities for the borough which have been set by the Council and its partners. Having regard to the Community Plan, the Council has developed an updated VCS Strategy and Action Plan and which was approved by the Mayor in Cabinet on 5th April 2016.

5.2 The Council has a range of specific statutory powers and duties which provide for partnership and community arrangements. In addition Section 111 of the Local Government Act 1972 permits the Council to do things (whether or not

involving the expenditure, borrowing or lending of money or the acquisition or disposal of any property or rights) calculated to facilitate, or conducive or incidental to, the discharge of any of its functions. Section 1 of the Localism Act 2011 gives the Council general power of competence to do anything that individuals generally may do, subject to specified restrictions and limitations imposed by other statutes. It may be considered that development of a strategy to support the VCS is something an individual may do and thus also something that the Council may do. The development and delivery of a Voluntary and Community Sector Strategy is within the powers of the Council.

- 5.3 As stated, a key part of the strategy is a move from grant funding to commissioned services. In particular the Strategy highlights:

“All council funding to the VCS will be reviewed to ensure it is contributing to priority outcomes and with a general preference for commissioning rather than grants. The model will ensure that funding processes are transparent and fair and are clear on how provision is contributing to outcomes. There will be a coordinated process for transition from grants to commissioning for particular funding streams, which will be transparent and communicated in a clear and timely way to grant funded organisations.”

- 5.4 It is recognised however, that grant funding will be appropriate in some cases where there is a clear case for funding to be provided by grant rather than commissioning and a clear benefit to the service being funded.
- 5.5 In reviewing these grants schemes ,the Council must comply with its obligation 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”. This is addressed further in paragraph 7 below.
- 5.6 In exercising 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. Equality analysis will be required as identified in paragraph 6 below.

6. ONE TOWER HAMLETS CONSIDERATIONS

- 6.1. The Council’s support of the voluntary and community sector through grants contributes to the delivery of One Tower Hamlets priorities and objectives.

7. BEST VALUE (BV) IMPLICATIONS

- 7.1 Refreshing the VCS Strategy was an action within the Best Value Action Plan. This noting report is related to implementing a component of the VCS Strategy Action Plan regarding Moving grants to a commissioned approach.

8. SUSTAINABLE ACTION FOR A GREENER ENVIRONMENT

8.1 There are no immediate sustainable 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 VCS Strategy and Action Plan.

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 Report

- **Cabinet 5 April 2016:** Voluntary and Community Sector Strategy

Appendices

- NONE

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

- NONE

Officer contact details for documents:

- Mohammed Ahad – Community Programmes Officer
Telephone Number: 0207 364 2762
mohammed.ahad@towerhamlets.gov.uk