


<b>Grants Determination (Cabinet) Sub-Committee report</b>  12th January 2022		 <b>TOWER HAMLETS</b>
<b>Report of:</b> Ann Sutcliffe, Corporate Director of Place		<b>Classification:</b> [Unrestricted or Exempt]
Community Centres Local Infrastructure Fund (LIF) Capital Grant Programme		
<b>Lead Member</b>	<b>Councillor Asma Islam, Cabinet Member for Environment and Planning</b>	
<b>Originating Officer(s)</b>	Sarah Wilks Infrastructure Programmes Manager Dudzile Moyo Principal Infrastructure Programme Officer	
<b>Wards affected</b>	All Wards (With the exception of Bow West & East/Bromley South & West / Mile End – Area identified as LIF Area 2 in Appendix 1)	
<b>Key Decision?</b>	No	
<b>Reason for Key Decision</b>	Impact on wards	
<b>Forward Plan Notice Published</b>	16 December 2021	
<b>Strategic Plan Priority / Outcome</b>	A better deal for children and young people: aspiration, education and skills Good jobs and employment Strong, resilient and safe communities Better health and wellbeing	

### Executive Summary

The purpose of the report is to seek approval for the establishment of the Community Centres Local Infrastructure Fund (LIF) capital grant programme as a grant.

The Community Centres LIF Programme pot has an approved budget of £1.6m and is a part of the Local Initiatives Infrastructure Programme (LII), an on-going programme in the Council's Capital Programme that delivers small scale infrastructure projects identified through the annual LIF public consultation process.

LIF public consultations were held in 2019 and 2020 where several nominations for capital improvements to community centre buildings were made by local community organisations. On the 23rd September 2020 and 27th October 2021 Cabinet approved £1million and 0.6million of LIF allocations respectively for the refurbishment/enhancement of community centre buildings in the borough in order to address local people's priorities.

An estimated 8% - 12% of the approved £1.6m will be used cover the administration costs for the grant management which will be carried out by an external grant

management organisation. The grants will be awarded by the selected external grant management partner in compliance with the eligibility and selection criteria established by the Council.

The funding allocation is to be set up as a grant to enable local community centres in the borough to apply for grants ranging between £10,000 - £60,000 from the LIF programme for capital improvements that will only cover 'provision, improvement, replacement and maintenance' of the community facilities and not any revenue aspects such as the delivery of activities or the ongoing work of the organisation.

### **Recommendations:**

The Grants Determination Sub-Committee is recommended to:

1. Note the funding allocation of £1.6m approved by the Mayor in Cabinet in September 2020 and October 2021;
2. Authorise the use of up to £1.6m of the allocated funding for the refurbishment and enhancement of community centres in the borough as detailed in this report, to be administered through a grant process;
3. Delegate the Corporate Director Place via the LIF Working Group the power to undertake appropriate actions in respect of all matters concerning the management and monitoring of the grant;
4. Delegate the Corporate Director Place the power to authorise the execution of any agreements necessary to give effect to recommendation 2 and 3.
5. Note the specific equalities considerations as set out in Section 4.

## **1 REASONS FOR THE DECISIONS**

- 1.1 The Government Guidance on CIL (paragraph 146) requires the Council to engage with the local communities where development has taken place, before deciding on how to spend the LIF, and ensure that expenditure reflects the priorities expressed by the local people. A number of nominations were received during the annual LIF consultation in 2019 and 2020 for improvements to local community centres, many of which are not owned by the Council. An allocation made to this principle was approved by Cabinet noting that an open grant funding process will need to be established to ensure fair and robust decisions are made.

- 1.2 The grant will provide much needed funding to non-Council owned community centres for capital improvement works such as disabled toilets, access ramps and window and roof repairs. Community centres offer important community activities and events but often have little or no budget available to fund capital projects and need funding support to carry out these works as they would not otherwise happen.
- 1.3 The approach to administer the LIF community centres grant via an external grant management organisation is to ensure the appropriate skills and dedicated resources are in place to fully administer, manage and monitor the grant process in a fair and consistent manner within the required timescales set by the LIF programme.

## **2 ALTERNATIVE OPTIONS**

- 2.1 There are very few other funding sources available for non-Council owned community facilities for the types of capital works that the grant would be supporting and those grants are unlikely to match the scale or the focus on Tower Hamlets proposed by the LIF community centres grant.

## **3 DETAILS OF THE REPORT**

### **The Local Infrastructure Fund (LIF) Process**

- 3.1 CIL is a pounds per square metre charge on most new development that is paid to the Council and is used to help deliver infrastructure to support the development of the area.
- 3.2 Under CIL Regulation 59A, Local Authorities are required to allocate between 15% and 25% of CIL collected to the Neighbourhood Portion, known locally as the Local Infrastructure Fund (LIF), where chargeable development has taken place. The current LIF process approved by Cabinet on 6th December 2016 allocates 25% of LBTH CIL receipts resulting from development to LIF across all areas of the borough. This is equitable, secures spend of funding where development is taking place and allows local people direct access to guide and influence spend on their local infrastructure needs. For the purposes of administering the LIF, four LIF areas were also approved shown in Appendix 1 – LIF Area Map.
- 3.3 The CIL Regulations stipulate that LIF funds must be spent on the 'provision, improvement, replacement, operation or maintenance of infrastructure'. The Council is also required to engage with the local communities where development has taken place, before deciding on how to spend the LIF, and

ensure that expenditure reflects the priorities expressed by the local people. As part of the agreed LIF process, each year we engage with the local community to seek their suggestions on the priorities/ projects that they would like funded from LIF.

- 3.4 The Council held a LIF public consultation in 2019 and received circa 1,300 responses from the LIF consultation and about tenth of the responses related to community centres, many of which asked for renovations or refurbishments to existing buildings. In response to the outcome of consultation, £1m of LIF funding was allocated for the refurbishment/enhancement community centre buildings in the borough and approved by Cabinet on the 23<sup>rd</sup> September 2020. An additional funding allocation of £0.6m was approved by Cabinet on the 27<sup>th</sup> October 2021 for the refurbishment/enhancement of community centres, and it was also agreed that this funding would be administered through an open grant process to ensure fair and robust decisions are made.
- 3.5 Table 3.1 below show the funding allocations made across the LIF areas of the borough in the approved LIF Programme allocations through Cabinet. LIF Area 2 has no funding due to limited funding availability in the area. LIF can only spent in the area that it was collected in and therefore funding from other areas cannot be spent in LIF area 2. It is expected that between 8%-12% of the allocated £1.6m will cover the grant management costs.

Table 3.1 – LIF allocations by LIF Area<sup>1</sup>

LIF AREA 1	£500,000
LIF AREA 2	No funding available
LIF AREA 3	£600,000
LIF AREA 4	£500,000
Total Allocation	<b>£1,600,000 (minus admin costs)</b>

### The LIF Community Centres<sup>2</sup> Capital Grant Programme

- 3.6 The aim of the LIF Community Centres Capital Grant Programme is intended for the renovation or refurbishment of community buildings not owned by the Council. If the building is owned by the Council, the leasing organisation must be responsible for all maintenance and repairs. The purpose of the programme is to enable organisations to continue running activities by ensuring facilities are of a good standard and meet the needs of the community.
- 3.7 It is intended that grants for the community centres are solely capital, therefore grant awards will only cover provision, improvement, replacement and maintenance of the community facilities and not any revenue aspects such as the delivery of activities or the ongoing work of the organisation.

<sup>1</sup> The funding allocations in table 3.1 can be found in Cabinet reports: Capital Programme 2020-21 to 2022-23 Appendix 2e LIF Programme 2 Allocations (approved 23/09/2020); and LIF Virements to the Approved Capital Programme 2021-22 to 2023-24 Table 3.2: Summary of LIF Programme 3 Allocations (approved 27/10/2021).

<sup>2</sup> Defined as a building or place which provides for the physical, social, cultural or intellectual development or welfare of the local community.

- 3.8 Organisations that receive the grant awards will be expected to deliver services or activities that support the principles in the Council's Strategic Objectives and Mayoral Pledges. Organisations must deliver services or activities that have a wide reach and are accessible to all local communities in the borough.
- 3.9 The grant management organisation that will administer the grant funding on the Council's behalf will be expected to deliver the grant in line with the specifications outlined in the sections 3.11-3.17. Although the grant management partner will be required to develop a more detailed programme design, a proposed draft programme structure is attached in Appendices 2 and 3 setting out the different programme stages, including expected delivery time scales.
- 3.10 The Infrastructure Planning team together with the grant management partner will host information sessions for local organisations to ask questions and get advice on their proposed capital project. The grant management partner will offer additional capacity building and grant support services such as developing and submitting applications in order to strengthen the bids and increase the number of high-quality applications. They will also be required to demonstrate that their promotional activities will reach all community centres in the areas identified as eligible, using a range of tools to ensure that everyone including those centres that participated in the LIF consultation has an opportunity to apply.

#### **a) Types Grants Available**

- 3.11 There are two types of grants that will be made available for LIF areas 1, 3 and 4 and will be awarded as follows:

##### **Small Grants**

- £10,000 or under for smaller improvements/upgrades that do not require planning permission.

##### **Large Grants**

£10,001 to £60,000 for larger capital works such as roof repairs, extensions etc. which may require planning permission.

#### **b) Eligibility Criteria**

- 3.12 The fund is open to all voluntary and community organisations who are based in the London Borough of Tower Hamlets and who manage a community facility in one of the eligible LIF areas.
- 3.13 A community centre can be defined as a place where people who live in a certain place can meet each other, get involved in activities and spend time

getting to know their neighbours. A community centre should provide a place for people from a wide range of backgrounds to come together to socialise, learn and enjoy.

3.14 Community centres should offer inclusive activities that support the educational, welfare cultural, social and recreational needs of the local community. It should provide a secure and welcoming space for all where people are made to feel valued and safe. They are multi-purpose hubs that offer different things for different people. Whether the centre has been created to provide support to a specific section of the community, it should undoubtedly connect people from all walks of life.

- Eligible Costs (see Appendix 4 - examples of capital projects that can be funded)
- Repairs and/or renovations that are building-specific and related to the site
- Construction, improvements or refurbishments including extensions to increase or improve community facilities.
- Capital works to improve energy efficiency and/or sustainability e.g. LED lighting
- Small scale repairs or installations e.g. accessibility ramps, disabled toilets etc.
- Large scale repairs or installations e.g. roof repairs; insulation, window replacement, etc.
- Non-disposable fixtures, fittings and equipment, provided this is part of a larger capital project e.g. kitchen equipment is eligible as part of a kitchen refurbishment project
- Cosmetic improvements, provided this is part of a larger capital project
- External improvements e.g. increasing disabled parking facilities, installing boundary fences/gates etc.
- Professional fees and project management costs (no more than 20% of the overall costs of the capital works)

### **Ineligible Costs**

- Any previous expenditure, grants must be used for future costs
- Improvements to facilities that will be used for religious or political activities
- Improvements to facilities that will generate a profit for private gain or for activities that have no charitable or community element
- Improvements to facilities where there is a statutory or local authority responsibility for maintenance and repairs
- Lease costs or rent payments
- Disposable equipment or consumables e.g. IT equipment, sports equipment, perishables, equipment for one-off or personal use
- The purchase or maintenance of vehicles
- Improvements to community gardens and general landscaping

- Any organisational costs not directly related to the capital works

#### **d) Eligibility to Apply**

3.15 The fund is open to all voluntary and community organisations who are based in the London Borough of Tower Hamlets and manage a community facility in one of the eligible LIF areas.

3.16 To be eligible to apply organisations must:

- Be a not-for-profit organisation that is formally constituted e.g. have a signed governing document in the organisation's name. This includes unincorporated associations and constituted community groups, registered charities, Community Interest Companies (CIC) who are companies limited by guarantee, Charitable Incorporated Organisations (CIO), companies limited by guarantee and faith groups who can evidence they have community space accessible to all, that does not proselytize a particular religion. If you are applying for a Large Grant your organisation must be incorporated (e.g. a registered charity or company limited by guarantee)
- Have good financial management procedures, including a record of income and expenditure. Applications from organisations that have a financial deficit will not be considered.
- Have a bank account in the name of the group, with at least two unrelated cheque signatories.
- Be connected to and have experience of understanding and meeting the needs of the diverse communities in Tower Hamlets and demonstrate this through a clear centre management policy/approach showing that services are inclusive and open to all.
- Have a sustainable fundraising approach that is diverse and a strategic plan, however simple, that takes account of the impact of the proposed changes the capital project will have on all aspects of running the centre.

Additionally, organisations must:

- Have a community facility with a minimum 5-year lease (or own the freehold) within one of the eligible LIF areas (1, 3 or 4)
- If the building is Council owned, organisations must have and evidence the responsibility of carrying out all maintenance and repair works
- Have the freeholder's written permission to carry out the works
- Have identified a reputable builder/company to carry out the works. Companies must be registered with a minimum of 3 years of experience
- Have applied for, or have, planning permission for the proposed work, and any other statutory approvals, if required

## **Larger Organisations**

- The Community Centres LIF Capital Grant Programme is open to larger organisations (defined as having an annual income of £2m or over) including Housing Associations. However, if a larger organisation is applying for a grant they must demonstrate that funding will be spent on a capital development that will add value to what the centre usually provides.
- The LIF Capital Grants Programme is not intended for ongoing maintenance or repair costs and therefore, larger organisations will need to evidence through the application process how the planned developments will enhance, improve and maximise community engagement and support. Match funding for larger organisation is encouraged. Tower Hamlets Council is keen to hear of new and different ways capital funding can be utilised to improve accessible community space that is open to all.
  - Applications will not be accepted from:
    - Organisations based outside the London Borough of Tower Hamlets
    - Organisations with no community facilities
    - For-profit organisations
    - Individuals seeking funding for personal benefit, or sole traders

3.17 Organisations can apply for all or part of the costs of the capital project. Match funding is encouraged for larger organisations with an annual income of over £2m and for organisations applying for a Large Grant. If match funding is required to complete the project, larger organisations will need to provide information on the additional funding they are seeking, or have secured, including where from and the timescales can apply for all or part of the costs of the capital project. If match funding is required, they will need to provide information on the additional funding including source and the timescale to secure the funding required.

## **Project Delivery and Monitoring**

3.18 Successful applicants will adhere to the delivery requirements below:

- The grant must be fully spent and the project completed within 12-months to 2 years depending on size of award.
- The grant award may be distributed in instalments depending on the individual project details
- A progress report must be submitted quarterly throughout the project delivery period
- Seek approval from the grant management partner for any material changes to the project and inform them immediately of any significant organisational changes during the life of the grant



- 3.19 Successful applicants will need to keep financial records of how the grant is spent including receipts and invoices for expenditure. They will also be required to provide feedback on how the capital project has supported their organisational development and what the benefits are to the community. This information must be submitted in an end of grant report within 30 days of the project's completion.
- 3.20 Post project completion, the contribution of LIF funding must be acknowledged in any promotional literature or annual report issued on behalf of the organisation within twelve months of receiving the grant or any instalment of the grant. Applications will also be informed that the Council and grant management partner will reserve the right to use any photographs or details of the project in any future literature and/or promotion and to visit the project and see the impact of the grant.

#### **4 EQUALITIES IMPLICATIONS**

- 4.1 LIF is a publicly led process that provides an opportunity for all local people to nominate projects or highlight issues that they would like to see addressed in the borough. When the council consults on LIF funding it uses a range of tools to ensure that everyone who lives and/or works in the borough has an opportunity to participate.
- 4.2 The allocation of LIF funding is generally considered to have a positive impact on all groups by delivering a range of interventions across the borough. The community centres grant responds directly to the nominations received from the public which includes accessibility improvements which will benefit several equalities groups.
- 4.3 The procurement process will ensure that the grant management organisation demonstrates that their promotional activities will reach all community centres in the areas identified as eligible, using a range of tools to ensure that everyone including those centres that participated in the LIF consultation has an opportunity to apply.
- 4.4 To ensure there is not a disproportionate impact on individuals or groups that share a protected characteristic under the Equality Act 2010, the grant process will require equality implications to be considered for each individual project to ensure that opportunities for positive equalities outcomes are being maximised and any project that will lead to differential impact is varied to mitigate the differential impact.

## **5 OTHER STATUTORY IMPLICATIONS**

- 5.1 The open application nature of the programme and the assessment of applications will ensure that projects achieve the best value of money. Funding will be released at key points during the delivery of the works to ensure that projects are delivered in accordance with the approved bid and that any necessary sign off from building control is secured. This will involve community centres providing regular monitoring information and evidence to demonstrate the progress and completion of projects.

## **6 COMMENTS OF THE CHIEF FINANCE OFFICER**

- 6.1 This report has sought that the committee note the funding allocation of £1.6m from Local Infrastructure Funds (LIF) approved by the Mayor in Cabinet in September 2020 and October 2021 and to authorise the allocated funding for the refurbishment and enhancement of community centres in the borough which will be administered through a grant process.
- 6.2 This project delivers realm improvement to community centres not owned by LBTH and therefore the benefits accrue to external organizations, and the funding is considered to be discretionary and a grant.
- 6.3 This project is included as part of the existing council approved capital programme. The funding of the project will be via LIF monies and all project costs must be contained within the budget.

## **7 COMMENTS OF LEGAL SERVICES**

- 7.1 The Council has the legal power to make the grant described in this report.
- 7.2 The Community Infrastructure Levy (CIL) Regulations 2010 provide that certain proportions of CIL collected by a charging authority may be spent to address “the demands that development places” on a local area. Regulation 59(1), Community Infrastructure Regulations 2010 provides that: “A charging authority must apply CIL to funding the provision, improvement, replacement, operation or maintenance of infrastructure to support the development of its area.”  
The levy can be used to increase the capacity of existing infrastructure or to repair failing existing infrastructure if that is necessary to support development.
- 7.3 Therefore, the provision of this grant is an appropriate use of CIL as it reflects requirements laid out in the CIL Regulations. The Council will constantly monitor the grant to ensure that such provisions are always met, and funding distributed fairly.

- 7.4 The grant will be subject to an evaluated application procedure and supported by a legally binding agreement to assist in the monitoring of and attaining of Best Value.
- 7.5 The grant monitoring will be supported by appropriate agreement terms. The agreement will ensure that the funding is used in compliance with the objectives and the conditions highlighted in this report.
- 7.6 The Council is required when exercising its functions to comply with the duty set out in section 149 of the Equality Act 2010, namely to have due regard to the need to eliminate unlawful discrimination, advance equality of opportunity between those who share a protected characteristic and those who do not, and foster good relations between those who share a protected characteristic and those who do not. The grant process will require equality implications to be considered for each individual project. This to ensure that there is no potential for discrimination against any one group.
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## **Linked Reports, Appendices and Background Documents**

### **Linked Report**

- Capital Programme 2020-21 to 2022-23/ Appendix 2e LIF Programme 2 Allocations (Cabinet approval 23/09/2020)
- LIF Virements to the Approved Capital Programme 2021-22 to 2023-24 (Cabinet approval 27/10/2021)

### **Appendices**

- Appendix 1 – LIF Area Map
- Appendix 2 – Programme Structure
- Appendix 3 – Proposed Delivery Timescales
- Appendix 4 –Example Capital Projects

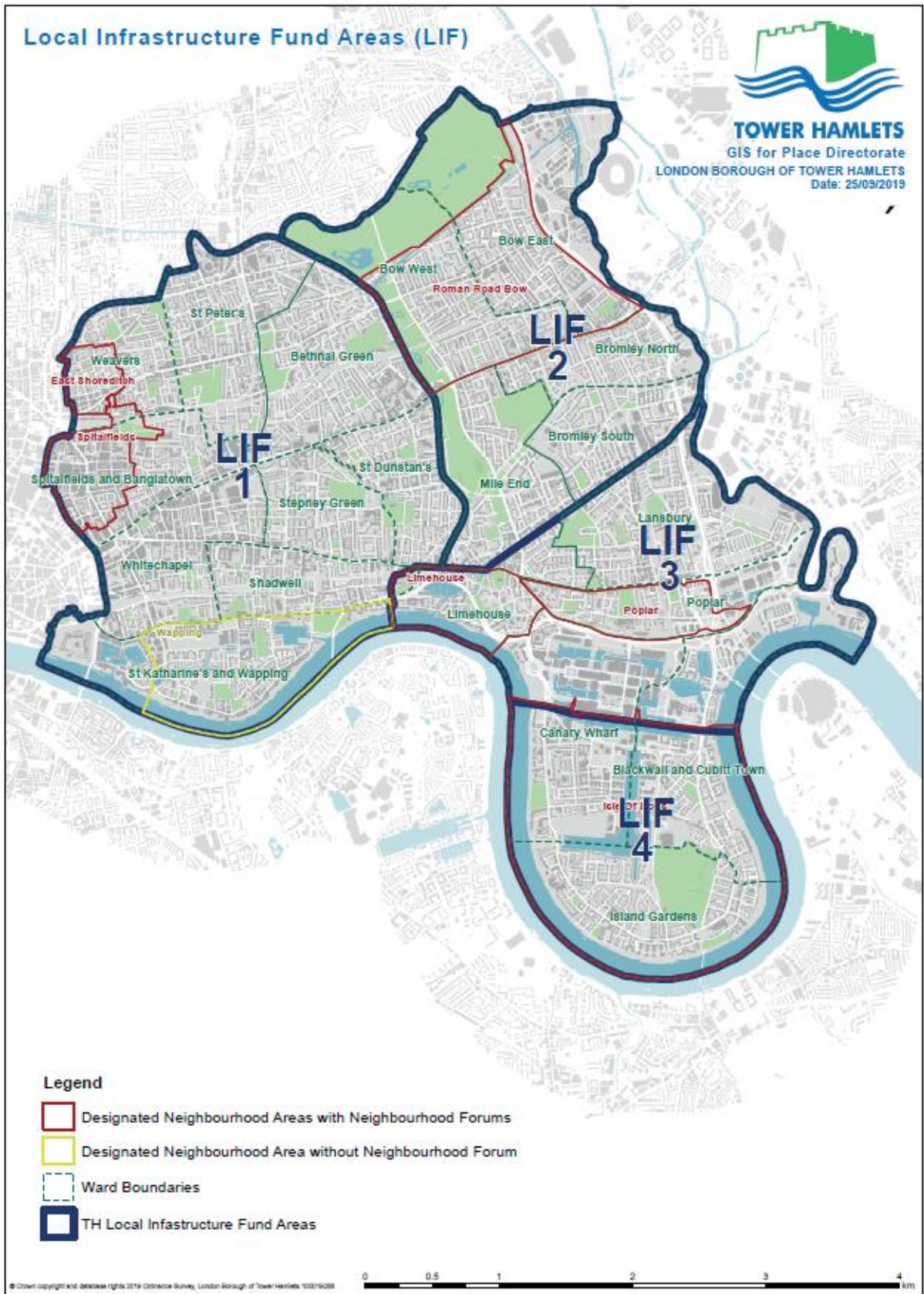
### **Background Documents – Local Authorities (Executive Arrangements) (Access to Information) (England) Regulations 2012**

- State NONE if none.

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

Or state N/A

# Appendix 1. LIF Area Map



## Appendix 2 – Programme Structure

### Programme Structure

\*Grant Management Partner



### Appendix 3 – Indicative Timescales for Delivery of Programme

Date	Activity
April 2022	<b>4<sup>th</sup> - Programme launch</b>
	Fund promotion and publicity
May	w/c 2 <sup>nd</sup> – Virtual information session held
	w/c 9 <sup>th</sup> – In-person information session held
June	<b>6<sup>th</sup> – EOI deadline</b>
	w/c 27 <sup>th</sup> – Review meeting with LBTH to agree shortlisted EOI's
	w/c 27 <sup>th</sup> – Shortlisted EOI's invited to submit full application form
July	<b>25<sup>th</sup> – Application deadline</b>
August	w/c 29 <sup>th</sup> – Grants Panel Meeting
September	w/c 5 <sup>th</sup> – notification letters sent
	12 <sup>th</sup> – 26 <sup>th</sup> – contract negotiation and sign off
	w/c 26 <sup>th</sup> – grant payments released
October	Capital projects start
January 2023	Quarterly Large grant progress reports
April	Quarterly Large grant progress reports Interim Small grant progress reports
July	Quarterly Large grant progress reports
October	Small grant projects complete and report back Quarterly Large grant progress reports
January 2024	Quarterly Large grant progress reports
April	Quarterly Large grant progress reports
July	Quarterly Large grant progress reports
October	Large grant projects complete and report back

## Appendix 4: Example Capital Projects

Below are some examples of the types of capital projects that could be supported through the Community Centres LIF Capital Grants Programme. This list is not exhaustive and is only intended to give you an idea of the type of works that could be supported.

Project Type	Improvements
Roof Repairs	The funding will be used to repair the roof at the social club. The project aims to enable the group to continue running a range of community activities.
Extension to Create Storage and Toilets	The funding will be used to build a new extension at the community hall. The project aims to create new toilet and storage facilities for further community engagement and activities.
Storage Extension	The group will use the funding to extend a community centre. This will improve a space that matters to the local community.
Washroom Refurbishment	The grant will be used to refurbish the toilet facilities at the community hall for members of the community who attend activities there.
Fully Equipped Disabled Toilet	The funding will be used to install toilets and access ramps in the club. This will enable people living with disabilities and older people to safely use this community facility.
New Windows	The funding will be used to replace the windows of the community centre. The project aims to make the space more comfortable and sustainable for community use.
New Disabled Toilet	The funding will be used to install a disabled toilet in a community building. The project aims to improve a facility to enable people with disabilities to access community activities.
Kitchen Refurbishment	The funding will be used refurbish the current kitchen to make it fit for purpose and able to cater for larger groups and events.
Community Centre Refurbishment	To refurbish the community hall including upgrading the heating and ventilation system, and the design and planning of additional refurbishment activities with the view of making the facility fit for purpose .
Community Space Extension	To extend and improve one large public room and create a smaller room for activities, the kitchen facilities will be improved, along with improvements to the car park will be undertaken to ensure full disabled access and further storage provision will be included.
Roof Replacement	The project will finalise the refurbishment of the village hall by replacing the original roof. This will benefit the residents and the surrounding areas.
Accessibility Improvements	The funding will be used for accessibility improvements such as disability ramps