

<b>Cabinet</b>  29 <sup>th</sup> March 2023	 <b>TOWER HAMLETS</b>
<b>Report of:</b> Sharon Godman, Director Strategy, Improvement & Transformation	<b>Classification:</b> Unrestricted
<b>Voluntary and Community Sector Grants Policy &amp; Outcomes Framework (October 2023 to March 2027)</b>	

<b>Lead Member</b>	<b>Cllr Saied Ahmed, Cabinet Member for Resources &amp; the Cost of Living</b>
<b>Originating Officer(s)</b>	Afazul Hoque, Head of Corporate Strategy & Communities
<b>Wards affected</b>	All
<b>Key Decision?</b>	Yes
<b>Forward Plan Notice Published</b>	
<b>Reason for Key Decision</b>	Over £1m expenditure and impacts all wards
<b>Strategic Plan Priorities</b>	Priority 1: Tackling the cost of living crisis Priority 3: Accelerate education Priority 4: Boosting culture, business, jobs and leisure Priority 5: Invest in public services Priority 6: Empowering communities and fighting crime Priority 7: Working towards a clean and green future Priority 8: A council that listens and works for everyone

### Reasons for Urgency

This report is being submitted after the statutory deadline due to additional time to consider the feedback from the engagement. The report is required to be presented to this Cabinet as the Council's current corporate grants programme ends in September 2023. In order that a replacement a grant is in place by October 2023 and due process can be followed Cabinet will need to agree the policy and outcomes framework as set out in this report at their meeting in March.

### Executive Summary

The Voluntary and Community Sector (VCS) in Tower Hamlets plays a crucial role in supporting residents with many important services. They played a key role in the response during the recent pandemic, the subsequent recovery as well as throughout the current cost of living crisis.

Our new [Strategic Plan 2022-26](#) sets out eight priorities designed to improve outcomes for residents. This includes a commitment to partnership working with the voluntary and community sector. Our current corporate grant arrangements end in September 2023, and in line with our new strategic priorities, this paper sets out our new VCS grants policy and outcome framework. This is supported by a new grants programme which will provide long-term funding to enable the achievement of our shared vision to ‘support and invest in a thriving and diverse VCS to enable it to improve outcomes for Tower Hamlets residents’.

### **Recommendations:**

The Mayor in Cabinet is recommended to:

1. Note the consultation and engagement undertaken to develop the policy and outcomes framework as set out in para 3.3 and Appendix 2.
2. Agree the Grants Policy and Outcome Framework as set in paras 3.4-3.5 and Appendix 3.
3. Authorise the Chief Executive to finalise the detailed prospectus of each grants programme.
4. Note the proposed timetable for new grants arrangements as outlined in para 3.6 and agree the three and a half-year programme for the Mayor’s Community Grants, from October 2023 to March 2027.
5. Agree the grant assessment arrangements as set out in para 3.7
6. Agree the budget for the grants programme as set out in para 3.8.
7. Agree that the proposed governance process for the development and implementation of the grants programme for the VCS as set out in paragraph 3.9 and note a further update will be provided to Cabinet April 2023.
8. Authorise the Chief Executive to agree the final grant awards for the Mayor’s Community Grants Programme.
9. Authorise the Chief Executive to agree an extension of 4 weeks of existing grants programme, if necessary, as set out in para 3.6 (a).
10. Note the result of the equalities impact screening as set out in para 4.1.

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

- 1.1 The Council’s Strategic Plan 2022-26 sets out our priorities, ambitions, and actions as well as our commitment to partnership work in the borough. One of the ways in which we demonstrate our commitment is through our

investment in VCS commissioning and grants. The Council's current grant arrangements end in September 2023, and in line with our new strategic priorities, this paper sets out our new VCS grants policy and outcome framework.

- 1.2 Tower Hamlets VCS is a crucial partner that provides important community services and activities that improve outcomes for residents. Our VCS played a key role in supporting the borough's recovery from the pandemic and continues to address the current cost of living crisis.
- 1.3 The new funding policy and outcomes framework will ensure we work with the VCS to:
  - Secure VCS services that they are best placed to deliver
  - Support the delivery of provision to address priority needs in the community
  - Preserve good practice within existing Council-funded VCS service provision
  - Ensure a good mix of VCS provision in terms of service reach and ability to deliver innovative service responses
  - Support the development of a sustainable VCS with a broad range of organisations who are able to respond to the diverse needs in the community.

## **2. ALTERNATIVE OPTIONS**

- 2.1 The Council can decide not to fund the VCS through a grants programme. This option is not recommended as it would:
  - Remove vital VCS services that are improving the lives of our residents
  - Go against our commitment to partnership working with the VCS
- 2.2 Continue with existing grants programmes. This is not recommended as it would not deliver our revised priorities as set out in the Strategic Plan.

## **3. DETAILS OF THE REPORT**

### **3.1 Background**

- (a) Tower Hamlets has one of the largest and most diverse voluntary and community sectors (VCS) in London that makes a much-valued contribution to the social and economic life of the borough. The VCS plays a key role in the life of Tower Hamlets residents. It is often the first point of contact for many seeking support and access to public services. It is at the forefront of responding to several key social and economic issues which present a significant challenge to residents, particularly to socially excluded communities and population groups, who heavily rely on VCS services. These

issues include the cost-of-living crisis, the impact of the pandemic and inequality amongst Black, Asian & Multi-Ethnic residents, high level of poverty, increasing demand and digital exclusion with increasing levels of services being delivered digitally.

- (b) National charity leaders have called on central government to provide meaningful financial support to those in greatest need and targeted financial support to VCS organisations that would support them.<sup>1</sup> There is a need to involve VCS organisations in any plans to address increased demands especially as the sector provides services such as food banks and warm hubs.<sup>2</sup>
- (c) Tower Hamlets has higher levels of deprivation, morbidity and mortality rates, significantly impacting many socially excluded groups. The 2021 Covid impact assessment and residents survey found existing inequalities had been exacerbated by the pandemic. These included physical and mental health, social care, education and learning, homelessness, loneliness, and deprivation.<sup>3</sup> Recovery from the pandemic at a time of economic crisis has seen an increase in demand for a range of health, education and social services including those provided by VCS.<sup>4</sup>
- (d) Many challenges are particularly acute in Tower Hamlets due to the young age profile of its residents. The 2021 Census found that almost half of residents were aged 20-39 and nearly a quarter of residents aged between 0–19-year-olds. Tower Hamlets has the fastest growing population of any local authority area across England and Wales. Between 2011 and 2021 the population increased by 22.1% from 254,096<sup>5</sup> to 310,300.<sup>6</sup> Other sources of data highlight that Tower Hamlets has the highest level of child poverty with 56% of children living in poverty, which is 25% above the national rate. We know that if young people’s opportunity to develop their potential is restricted at an early stage, or when seeking to access educational, employment and training opportunities, the cycle of poverty and social exclusion is re-enforced. Further details of needs are set out in **Appendix 1 Tower Hamlets Priority Needs**.
- (e) The [Strategic Plan 2022-2026](#) recognises our challenges, and the priorities. It provides scope for the development and delivery of VCS services and activities that help address these challenges. The new grants policy and outcomes framework will incorporate priorities set out in the Plan, including:
  - Priority 1: Tackling the cost-of-living crisis
    - Commitment to develop a local safety net to address poverty in the borough that will include VCS organisations and food banks

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<sup>1</sup> <https://www.ncvo.org.uk/news-and-insights/news-index/joint-statement-cost-of-living-crisis/#/>

<sup>2</sup> Ibid

<sup>3</sup> London Borough of Tower Hamlets: *Understanding the impact of Covid-19 in Tower Hamlets*, September 2021.

<sup>4</sup> Ibid

<sup>5</sup> Office for National Statistics, Census 2011

<sup>6</sup> Office for National Statistics, Census 2021

- Early support for residents to increase incomes, reduce costs and debts
- Waging war on child poverty, as well as loneliness, social isolation and poverty among the borough's older residents
- Priority 3: Accelerate education
  - Prioritising the preservation of safety for children and young people, including developing early help offer
  - Enabling young people to study and work with community groups through homework clubs
  - Enhancing nursery and day care provision for young children and their families, including VCS-provided services
- Priority 4: Boosting culture, business, jobs and leisure
  - Opening opportunities for all residents, including young people and women, to participate in a wide range of local sporting and cultural opportunities
  - Support access to jobs, training and apprenticeship including in growth sectors
- Priority 5: Invest in public services
  - Maintaining preparedness and respond effectively to any further resurgence of Covid to keep residents safe, addressing its disproportionate impact on residents from Black, Asian & Multi Ethnic communities
  - Providing early support for children and adults at risk of poor mental health and loneliness, including through community action on loneliness
- Priority 6: Empowering communities and fighting crime
  - Bringing people from different backgrounds together to promote understanding
  - Tackling violence against women and girls and support victims
  - Supporting and empowering women, particularly Black, Asian & Multi-Ethnic women, with dedicated community programmes and facilities
- Priority 7: Working towards a clean and green future
  - Make the borough greener for everyone, with well-maintained parks and improvements to air quality standards
- Priority 8: A council that listens and works for everyone
  - Build strong local, regional and national partnerships that deliver for residents of Tower Hamlets.

### 3.2 Voluntary and community sector in Tower Hamlets

- (a) Tower Hamlets VCS comprises a wide range of organisations, approximately 1,300 in total, delivering a range of services and activities. These organisations include:
- Registered charities
  - Faith groups
  - Unregistered and informal community groups, including mutual aid groups
  - Social enterprises
  - Tenants and residents' associations
  - Co-operatives
  - Community interest companies with charitable elements.
- (b) The Council recognises the important contribution the VCS makes to the social fabric of the borough, especially for residents, and to public services. It helps develop relationships between people and communities and provides opportunities for people to cultivate their imagination and interests, allowing them to flourish.
- (c) The important role of the VCS in the borough and the strength of the sector was particularly highlighted in its contribution to the response and recovery to the Covid-19 pandemic in the borough. It played a crucial role in delivering services to housebound and socially excluded residents, leading on several prominent initiatives, such as the supply and delivery of food and medicine to high risk or self-isolating residents.
- (d) The value of the VCS is evident with our investment in the sector. Between April 2022-March 2023 the Council has funded VCS organisations to deliver a range of activities with grants making up approximately £10.4m and commissioning approximately £41.7million.<sup>7</sup>
- (e) The VCS sector is facing significant challenges with rising costs, increased demands, challenges around recruitment and retention of staff, access to funding and changes in delivery model. These challenges pose risks to organisational sustainability and ability to deliver important services to local residents.
- (f) The corporate funding programmes with the VCS have been a key area of investment in the sector through grant funding. This includes several grants programmes:
- Local Community Fund – Oct 2019 – Sept 2023 with an annual budget of £2.6m
  - Infrastructure and Capacity Building Fund- October 2019-September 2022 with an annual budget of £260,000

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<sup>7</sup> Approximate figures based on mapping undertaken as of Sept 2022

- Small Grants Programme- Oct 2019 – Mar 2023 with an annual budget of £450,000
- Innovation Fund- Oct 2019 – Sept 2023 with an annual budget of £60,000
- Emergency Grant- Oct 2019 – Sept 2023 with an annual budget of £100,000

(g) Progress against these grant programmes is regularly reported to the Council's Grants Determination Sub Committee. Further details on progress and deliverables can be found on the Committee agenda papers on the Council website.

### 3.3 Development of grants policy and outcomes framework for the voluntary and community sector

(a) At its meeting on 9<sup>th</sup> March 2022 the Grants Determination Sub Committee agreed to extend the end date for several VCS funding programmes, including the Local Community Fund (LCF) programme to September 2023. This has ensured that VCS services continue to deliver whilst we developed a new grant policy and outcomes framework.

(b) Work to develop the grants policy & outcomes framework has included:

- A desk top review of existing grant programmes and examination of best practice from other councils.
- A mapping exercise of all the grants and commissioning contracts that fund the VCS across the Council. This found we spend approximately £52.1m between April 2022-March 2023 in the VCS.
- Engagement with the Mayor, Cabinet Member for Resources and Cost of Living and the Mayor's Office.
- Consultation and engagement with local stakeholders which included:
  - Six workshops with voluntary & community sector organisations attended by 155 people
  - 5 resident pop-up events which engaged 97 residents
  - 2 all members seminars attended by 12 Members
  - An-online survey through Let's Talk Tower Hamlets with 57 responses
  - 10 workshops with council teams

(c) The total number of local residents and representatives from VCS organisations engaged was 309 and involved 144 VCS organisations. A summary report detailing key findings are attached in **Appendix 2**. Some key highlights are:

- Tackling the cost-of-living crisis was the top priority across all the engagement methods.
- Culture, business, job and skills was the second most important theme across all engagement.

- On small grants, activities for children and young people and reducing social isolation was the top priority across all engagement.
  - Outcomes include empowering individuals to manage their finance, enabling people to have necessary education and skills to access jobs, improving physical and mental wellbeing and strengthening community cohesion.
  - A need to ensure grant funding provides good geographical and equalities coverage to ensure all sections of the community benefit.
  - A balance in types and sizes of organisations providing services.
- (d) The feedback from the engagement will be used to design the specification for the grants programme. There was a general view that the priorities address a range of areas which will improve outcome for residents.

### **3.4 Grants Policy & Outcomes Framework**

- (a) Grants are responsive and are dependent on the community bringing forward ideas and proposals for activities to achieve positive outcomes, rather than responding to a more prescriptive tendering process. It is the responsive nature of grants which sets it apart as the most appropriate mechanism for funding some types of activity. The Council is committed to supporting a diverse range of VCS organisations to design and deliver innovative projects which improve outcomes for local people.
- (b) This refreshed grants policy and outcomes framework replaces our previous policy. The new grants programme will target delivering our strategic priorities and ambitions. We want to ensure Tower Hamlets continues to tackle inequality by building a strong, inclusive, and fair borough where our strength lies in different cultures and communities working side by side. We recognise that to deliver this, we need to ensure there is sustainable long-term funding for the VCS. The new grants programme and outcomes framework set out in Appendix 3 is designed to achieve this.
- (c) The vision for the new funding policy and outcomes framework is to 'support and invest in a thriving and diverse VCS to enable it to improve outcomes for Tower Hamlets residents.' The main principles that will underpin our investment in a new programme include:
- Funding that supports a wider range of services and groups to ensure all sections of the community benefit from a grants programme and address the challenges facing Tower Hamlets residents.
  - Funding that supports services and activities that are inclusive, promote cohesion and designed and delivered with residents.
  - Long term funding to organisations in return for efficient and effective services.
  - Achieving value for money.
  - Alignment to the Council's Strategic Plan.
  - Improved partnership working between local VCS organisations.

### 3.5 New VCS Grants Programme for voluntary and community sector

- (a) The Grants Policy and Outcomes Framework is supported by several new grants programmes. Further details of these and related outcomes are set out in Appendix 3 and below.
- (b) The new main corporate grants programme will be called the Mayor's Community Grant programme. This will be a three- and half-year programme (Oct 23 - Mar27) and includes five themes consisting of:

Schemes	Priorities	Indicative Annual Budget
<b>Theme: Tackling the Cost-of-living crisis</b>		
<b>1A Advice and Information</b>	Information, advice and representation concerning individuals' legal rights,	£900,000
	Immigration/asylum advice and casework	
	Debt advice and support with budgeting and financial stability, particularly for vulnerable, marginalised and hard to reach groups	
	Support with welfare benefits	
	Housing/homelessness advice and casework	
	Employment advice	
	Income maximation	
	Support for residents in crisis needing immediate support	
<b>Theme: Accelerate Education</b>		
<b>2A – Education attainment and development of children and young people</b>	Community-based study support	£700,000
	Community language development	
	Community-based provision for children with Special Educational Needs	
	Extracurricular activities and after school provision	
<b>2B – Lifelong Learning</b>	Skills for life and lifelong learning	
	English for Speakers of other Languages (ESOL)	
	Digital Inclusion	
<b>Theme: Culture, Business, Jobs and Skills</b>		
<b>3A - Employment and skills opportunities for socially excluded residents</b>	Supporting people not in education, employment or training (NEET)	£650,000
	Targeted youth outreach	
	Access to Youth Provision	
	Enterprise and innovation, particularly the greening of the borough	
	Job brokerage	
<b>3B Sports and local culture and heritage</b>	Local culture and heritage	
	Sports activity	

<b>Invest in public services</b>		
<b>4A – Physical and mental wellbeing of older people</b>	Supporting older and vulnerable people, including luncheon clubs, meals delivered to homes and pensioner projects	£800,000
	Developing community activities aimed at tackling loneliness and active lifestyle	
<b>4B - Physical and mental health of residents</b>	Promoting health and wellbeing through tackling inequality	
<b>Empower communities and fight crime</b>		
<b>5A – Inequalities experienced by people and communities reflecting different equality groups and social economic backgrounds</b>	Addressing inequality for Black, Asian & Multi-Ethnic communities and women	£450,000
	Creating opportunities for people from different backgrounds to come together	
<b>5B – Community safety</b>	Tackling drug and alcohol issues	
	Promoting safer communities	
	Supporting ex-offenders	
	Gang intervention and prevention	
	Victim support	
	Violence against women and girls	
		<b>Total £3,500,000</b>

(c) In addition, a new Small Grants Programme consisting of the following:

<b>Grant</b>	<b>Indicative Annual Budget</b>	<b>Draft Criteria</b>
<b>Mayor &amp; Young Mayors - Youth Empowerment Fund</b> – Support young people to design, bid and deliver projects for their peers	£250,000	£3,500 max grant per organisation per year
<b>Mayor’s Positive Activities for Young People</b> – Support activities during school holidays	£250,000	£6,000-£7,500 max per organisation, once a year
<b>Community events</b> – Support events that brings communities together, celebrate our diversity, national and regional celebrations	£100,000	£2,500 max per organisation once a year
<b>Mayor’s Capacity Building Programme</b> – Support organisational development which	£100,000	£2,500 max per organisation once a year

strengthens local organisations' ability to deliver services		
<b>Community chest Very small grants to support community events and activities</b>	£100,000	£500 max per organisation three times a year
<b>Total £800,000</b>		

- (d) A refreshed Emergency Grant providing funding for VCS organisations subject to need and eligibility.

Grant	Indicative Budget
<b>Emergency Grant</b> – Support VCS organisations that have been or are funded by Council which are facing an emergency that may likely result in closure of organisation.	£100,000

- (e) The current Infrastructure and Capacity Building Grant ends in September 2023. The Small Grants programme includes a capacity building theme which will enable local organisations to access the support they need that is much more tailored to individual organisations. This will be complemented by support to VCS organisations from the Council's Strategy, Improvement & Transformation Division. The current funding from Infrastructure and Capacity Building grant is being reinvested into the new grants programme with additional funding of nearly £1m. This will ensure there is no reduction in funding to the sector.
- (f) The current providers of Infrastructure and Capacity Building Grant are key local partners that contribute to the development and sustainability of local VCS organisations. Proposed changes to this funding stream are likely to have a impact including possible closure of some organisations. Other risks include impact on local VCS organisations access to support and other project funding. The Council will work with existing providers to understand potential impact and support mitigation that manages a transition.

### 3.6 Timetable for new VCS grants arrangements

Timeframe	Milestone
<b>Mayor's Community Grants Programme</b>	
Mid Apr -May 23	open for bidding
Jun-Jul 23	Assessment and moderation
Aug 23	Chief Executive's decision on grant award
Sept 23	Mobilisation of new programme
Oct 23	Start of new programme
<b>Small Grants Programme</b>	
Apr -May 23	Development of specification and criteria
Jun-Jul 23	Agreement of new programme
Nov23	Launch of new Small Grants Programme
<b>Emergency Grant</b>	

Apr – Jun 23	Review and development of criteria and process
Oct 23	Launch of refreshed Emergency Grant

- (a) The above timetable is ambitious and allows limited scope for setbacks. We will need to consider the possibility of such slippage and actions to address it. This will be particularly relevant to the assessment stage of the Mayor's Community Grants Programme as it will depend on the number of applications and assessors to support this work. This would require further extensions of current grants arrangements beyond its end date of September 2023, for a further four – eight weeks, to ensure that VCS services supported by existing arrangements remain fully in operation whilst the new grants arrangements are finalised. It is proposed that Cabinet delegate this decision to the Chief Executive.

### **3.7 Assessment of applications for Mayor's Community Grants Programme**

- (a) It is proposed assessment and moderation for all grants programmes are managed by the Council. Given the current capacity of the service and significant number of grants applications that are expected for the Mayor's Community Grants Programme, work is being undertaken to create a team of assessors. This will involve officers who have experience of grants or contract assessment, who will be provided with training to assess this programme.
- (b) The processes for grant applications will be two-fold consisting of an organisational assessment and project assessment. Applications will need to pass the organisational assessment to move to the project assessment stage. This is similar to the Council's procurement process and will ensure organisations meet expected thresholds to deliver services.
- (c) The organisational assessment will consist of the following areas:
- Governance
  - Business planning
  - Quality assurance
  - Managing people
  - Managing money
  - Equality and Diversity
  - Safeguarding children and adults at risk of abuse
  - Insurance
- (d) The project assessment will consist of the following criteria:
- Effective delivery service plan
  - Track record of successful service delivery
  - Demonstrates local connections
  - Provision for service co-design with borough residents
  - Quality assurance standard framework or processes
  - Equalities, diversity & community cohesion
  - Offers good value for money
  - Ability to demonstrate change using SMART outcomes and indicators

- (e) The organisational assessment will be carried out by one officer where an organisation fails this will be moderated by a senior manager. The project assessment will be carried out by two officers with moderation of applications where there is a 10% variation between both the assessors. The theme based relevant service will then work together to design a programme that meets the objectives of each theme and ensure geographical and equalities needs are met.
- (f) The Small Grants Programme will be managed by the Council with all assessments undertaken internally and recommendations agreed by the Grants Determination Sub Committee. The youth focused areas of small grants will be managed by the Children and Culture Directorate with the remainder managed by the Strategy, Improvement & Transformation Division.

### 3.8 Budget for Grants Programme

- (a) The current annual corporate VCS funding budget is £3.5 million per annum. Following agreement of a growth bid the annual spend on the voluntary and community will be £4.4 million per annum broken down as follows:

Grants Programme	Indicative Annual Budget
Mayor's Community Grants Programme	£3,500,000
Small Grants Programme	£800,000
Emergency Grant	£100,000
<b>Total</b>	<b>£4,400,000</b>

- (b) The current £3.5 million funding includes a £982,000 contribution from Public Health, which is used to fund health-related work that is part of the LCF programme. The remaining £2,518,000 of the budget is financed from the general fund. The new programme will ensure the Public Health contribution would continue to fund the Public Health Outcomes as set out in the framework.
- (c) In addition to the growth bid for the VCS an additional growth bid of £255k has been approved by Full Council. This will support increasing capacity in the Strategy, Improvement and Transformation division to manage the new grants programme including the management of the new Small Grants Programme. All other costs relating to the delivery of the programme will be delivered through existing budget and identified reserves.

### 3.9 Proposed governance of the new Voluntary and Community Sector Funding Programme

- (a) As set out in 3.7 (e) the grants applications will be assessed by officers which are trained. All officers in the assessment will be expected to declare their interests and will be supported to undertake their role. Senior manager will provide support and moderation where needed at both Stage 1 and Stage 2 of the process.

- (b) Following the assessment process officers will develop a programme which will consider the following:
- Scorers for application
  - Response to the grants theme / priority
  - Equalities consideration
  - Geographic spread
- (c) This will provide a list of projects that will be funded and those that will not be funded. Relevant service officers will be engaged in the development of this list. A report setting out the programme including key considerations including an Equality Analysis will be developed to support decision making.
- (d) To ensure the grants process is open and transparent the decision making for grants will be delegated to the Chief Executive. This will ensure there is no Mayoral or Member level involvement in the decision making of grants.
- (e) The Chief Executive will consider recommendations from officers and engage the Council's Corporate Leadership Team to seek their expert views on the implications before the Chief Executive makes the decision.
- (f) The Chief Executive's decision will be reported to the Grants Determination Sub-Committee for noting and to the Overview and Scrutiny Committee for comments. The Council is currently seeking independent advice on the grants governance process to ensure it is robust and in line with our duties when determining grants. An update on this will be provided to Cabinet in April 2023.

### **3.10 Next Steps**

- (a) Work is on-going to develop a prospectus for the Mayor's Community Grants Programme. The Mayor and Cabinet Member for Resources and the Cost of Living will be consulted before it's finalised and launched in April 2023. Work is also being undertaken to scope the support that will be made available to VCS organisations with making grant applications and this will be announced before the grants goes live.
- (b) Further work to review current monitoring arrangements for grants programme will be undertaken to establish revised arrangements which will be incorporated into the contracts for all grants. Funded organisations will be monitored on a quarterly basis through monitoring reports and visits. This will be reported to the Grants Determination Committee on a quarterly basis.
- (c) The Council will publicise the application processes for new funding programmes, including through its website and monthly VCS Newsletter. All publicity and communication will be updated where required including frequently asked questions. The Council will also work other local partners to ensure that they use their communication channels to publicise the above.

## **4. EQUALITIES IMPLICATIONS**

- 4.1** Extensive engagement and consultation has been undertaken in the development of this policy and outcomes framework. It has engaged 309 individuals and 144 VCS organisations. The events were arranged to ensure a diverse section of the community voices were heard and provided opportunities to engage at different times, various location across the borough, using different methods of engagement. The outcomes of these events will support the development of the specification and prospectus for the grants programme.
- 4.2** An equality screening has been completed and at this stage there are no evident future adverse impacts on any protected characteristic groups that would arise from the implementation of the policy and outcomes framework and associated grants programme. The equalities screening will be updated at key points in the development of the programme and decision-making process.
- 4.3** A detailed Equalities Impact Assessment will be undertaken to support the decision making on grants awards. This will consider the implications of the potential decommissioning of current projects, including the impact on residents from groups who have been principal beneficiaries of these programmes, such as elderly and disabled people. It will present options to mitigate any potential negative impacts for protected characteristics groups relating to the above changes, including proposed timescales for any interventions.

## **5. OTHER STATUTORY IMPLICATIONS**

- 5.1** Best Value Implications – The Council is committed to ensure the grant provides best value for money and this is one of the key principles of the grants as set out in para 3.4 (c). Regular monitoring on progress of delivery will be reported to the Grants Determination Sub Committee and officers will work with funded organisations to ensure the projects achieve the outcomes set out in the agreement.
- 5.2** Consultations – Details of consultation and engagement undertaken in the development of the grants programme is set out in para 3.3 (b) and Appendix 2.
- 5.3** Risk Management – The development of the policy and outcomes framework has used a project management approach which has identified key risks, issues and mitigations. This includes timeline, proposed governance process and conflicts of interests. The mitigations around these areas are set out in the report.

There are no other specific statutory implications relevant to consideration of this report.

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

- 6.1 The Council's MTFs includes £4.50m annual funding for voluntary sector grants, including £0.98m funding from the Public Health grant for services that are eligible for the use of the Public Health grant.
- 6.2 The administration costs of the grant programme should be contained within approved staff and non-pay budgets.

## **7. COMMENTS OF LEGAL SERVICES**

- 7.1 The Council has the legal power to undertake grant funding in the manner suggested in this report.
- 7.2 The Council has a legal duty to obtain Best Value in terms of economy efficiency and effectiveness when delivering its functions. One of the main methodologies to assist with the compliance of this duty is ensuring that the award of grants is subject to assessment of pre-determined criteria with awards going to the best scoring applications. One of the key parts of the evaluation will be the requirements stated in the prospectus which will highlight the requirements for applications to be considered successful.
- 7.3 The report details a two-stage process of evaluation. The main legal principle is that applications are assessed in an open and transparent way and without discrimination. The proposed approach is lawful as the Council will be stating the success criteria for both parts in advance of applications (as part of the prospectus) and an evaluation panel is being formed to assess all applications on the same basis. The level of resources input across the schemes will be significant and the proposed approach to moderation (being only where the assessors show a significant variance) is reasonable in the circumstances.
- 7.4 The nature of grants means that restrictions on available resources may not allow either for the total amount of requested grant to be given or not allow for the full range of activities under the application to be carried out when measured against those available resources. The report details an exercise where the applications and activities are tailored following the evaluation process and the final grant agreed. However, the Council will detail in the process the criteria for bids to reach that stage and ensure that all bids are treated equally within each evaluated area.
- 7.5 European State Aid law ceased to apply to the UK when the UK left the EU. However, as part of the trade deal, the UK agreed to introduce a similar regime into domestic law. The Subsidy Control Act 2022 came into force in January this year. This introduced the requirement for the Council to undertake several pre-award considerations and the Council must undertake this process before making a grant in any event. These considerations will be included in the evaluation process. However, whilst it is likely that the grants may be considered a subsidy for the purposes of this legislation it is unlikely that any of the grants will cause a significant distortion of the market given the nature of the recipient organisations or may constitute "minimal financial assistance" and therefore be lawful subsidies under the act. The Council will

also keep a record of the organisations who receive a grant and the value of the grant to track total levels of minimum financial assistance in any given 3-year period

- 7.6 The report identifies that many beneficiaries of the VCS run projects are people who have a protected characteristic for the purposes of the Equality Act 2010. It is possible that the decision to award new grants may have a disproportionate impact on user groups dependent on the results of the evaluation exercise. Therefore, prior to making the award the Council will consider the potential effect of stopping the old grants and making the new ones from an equalities perspective. Notwithstanding the foregoing the Council will undertake a separate exercise to review the grants before they are made against the Subsidy Control Principle as stated in the Act.
- 7.7 In the event that the Council determines that there is under representation in any particular group with a protected characteristic it is not open to the Council to withdraw an offer of funding from one bidder and award to a lesser scoring bidder on the basis of trying to balance the inequality. This is because the Council must continue to treat all applicants fairly and in accordance with the pre-advertised criteria. However, the Council will need to seek other ways to mitigate the imbalance such as signposting to alternative services, allocating further funds specifically to address the imbalance or the internal delivery of services to meet the identified need.

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

### **Linked Report**

- NONE

### **Appendices**

- Appendix 1 Tower Hamlets Priority Needs
- Appendix 2 – Engagement report
- Appendix 3 – Outcomes Framework

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

- NONE

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

N/A