

London Borough of Tower Hamlets

Grants Policy Framework 2018-22

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Introduction

The VCS Strategy agreed by the Council in 2016 sets out the unique strengths of the VCS and the need for the Council to continue to support, empower and build the future capacity of the VCS for the sector to be able to continue respond to complex issues spanning a range of areas including welfare, unemployment and housing.

While the future direction for supporting VCS activities will be through co-produced, commissioned services funded through contracts, the Strategy states there continues to be a role for supporting the VCS through grants in limited and specific circumstances. The purpose of this policy framework document is to set out the circumstances where the Council will consider support for VCS activity through grants and underpins the development of a new corporate VCS grants programme.

This policy framework has been co-produced with the VCS and represents a shared vision of the future of grants from the Council. This document states what the Council and the VCS are seeking to achieve through the corporate grants programme, the initial grant themes, principles of eligibility and funding, decision making and accountability. The more detailed scheme and outcomes for each grant theme together with the processes and procedures for the grants programme will be developed through a further co-production process with the VCS.

Objectives

The Council's principal objective in developing a new corporate grants programme is to harness the distinctive characteristics of grants to promote sustainable and resilient communities and help enable the VCS continue to make its unique contribution towards achieving the outcomes for the community set out in the Tower Hamlets Community Plan.

The Council will assess to what extent it is achieving the objective of the corporate grants programme through an annual appraisal, drawing on the monitoring and evaluation of individual projects, which will be made public, and a full review and refresh in four years' time.

Characteristics of Grants

Grants are essentially responsive, dependent on the community generating and 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 a process of co-production for services delivered by the VCS whether funded through grants or contracts. The increasing involvement of the sector and service users in the design and delivery of services to some extent blurs what was the clear distinction between grants and contracts. However, the Council accepts an important distinction remains.

Supporting VCS activity through grants has a number of other characteristics which distinguish it from contractual funding mechanisms. These can be summarised as:

- **Empowerment** provides the financial means for communities to do things for themselves
- **Innovation** responsive to new and emerging needs
- **Flexibility** can adjust to meet changing needs
- **Reach** can be accessible to groups which would not otherwise be able to get funding through contractual arrangements
- **Risk** shares the risk of new innovation between the provider and the funder
- **Cost effective** can lever in other resources to support community activity

In deciding whether a grant or a contract is the most appropriate method of supporting an area of VCS activity, the Council must decide how important the distinct characteristics of grants are to the successful achievement of the desired outcomes.

Grant themes

The grants programme will be delivered through a number of different grant themes. The VCS Strategy and the co-production work which has developed this policy framework have determined an initial set of grant themes set out below where the distinct characteristics of grants are important to achieving the desired outcomes. However, the purpose of this programme is to facilitate all grant making from the Council to the VCS. Where new grant themes are set up, including those where the Council is acting as an agent for external funds from, for instance, national government, it is intended that they will be administered through the corporate grants programme.

The initial grant themes are:

- **Innovation** to encourage innovation or pilot something new, especially where there is a gap;
- **Prevention** to promote grass roots activity to reduce the need for statutory services;
- **Neighbourhood action** to promote local neighbourhood initiatives
- **Community cohesion** to develop community resilience, promote cultural opportunities and reduce social isolation;
- **Capacity building** to enable smaller organisations to become more sustainable, where appropriate providing core funding to lever in other resources, and

- **Partnership working** making the sector more effective through closer partnership working within the sector and across sectors.

In addition, there will be two cross cutting themes which all projects funded through the corporate grants programme will be assessed against. These are:

- **Community cohesion** developing community resilience, promoting cultural opportunities and reducing social isolation in the context of the theme, and
- **Equality and diversity** demonstrating how people with protected equalities characteristics will be included

The pro forma scheme to set out the detail for individual grant themes is attached at appendix A

Principles - Eligibility

The programme has common eligibility criteria for all grant themes. Some grant themes may need to include additional criteria

Not for Profit The grants programme will only support activities run by groups which can demonstrate they are set up as not for profit groups. The types of organisation which the Council considers to be not for profit is set out in the VCS Strategy and included in this policy framework at appendix B. Individuals will not be eligible.

Locally based The grants programme is intended to support the local VCS and community activity. The eligibility criteria for all grant themes reflect this principle. Organisations based outside the borough are not excluded from eligibility but they must show very clear connections to Tower Hamlets either through existing activity or local leadership of the proposed project. Applications will be encouraged from organisations based across the borough.

Good governance Organisations will be expected to achieve an acceptable level of governance with appropriate policies for the activities they propose to undertake. The acceptable level will be proportionate to the size of organisation and type of activity. The Council will accept applications from organisations in the process of developing appropriate policies but funding will not be paid until they are in place.

Proposals from un-constituted groups will be accepted but these should be supported by an organisation with appropriate levels of governance which will act as the 'accountable body' for any funds awarded.

Size Some grant themes may give priority to smaller groups but the programme will be open to all not for profit organisations

Principles – Funding

Individual limits The programme will not prescribe a limit to individual grants subject to the budget available. However, it may be appropriate because of the nature of the grant theme or external funder requirements to limit the maximum level of individual grants in some themes. In the initial grant themes the maximum individual award will be £xx,xxx for all funds except capacity building and core funding.

Funding period The programme may provide grants which are one off project funding or revenue funding for a stated period subject to annual review if more than a year. The normal period for revenue funding would be a maximum of two years. Each grant theme will define an appropriate funding period for the type of activity it is supporting.

Other resources One of the principal characteristics of grants is that they unlock other resources either in cash or in kind. All grants themes will therefore require that a quantifiable contribution is made to the proposed activity either in cash or in kind. However, prescribed levels of match funding will not be required.

Other funding The grants programme will not exclude organisations which already receive support from the Council or other public bodies. However, where appropriate, some grants themes, such as Innovation, may give priority to groups which are not already funded.

Decision Making and Accountability

The distinctive characteristics of grants include being responsive and flexible. In order to achieve this, the Council will establish robust processes to ensure that decision making is proportionate and appropriate to the levels of funding and type of activity to be funded.

Powers delegated to officers will be used as far as possible to determine individual grants and requests to vary the agreed use of grants with regular reports to the Council's Grants Determination Sub-Committee (or any successor body) to ensure transparency and Member level scrutiny.

Scheme template for each Grant Theme

Grant Theme	
Rationale for grant funding	
Community Plan Priorities & Outcomes	
1.	
2.	
3.	
Scheme outcomes and description	
Examples of projects and activities	
<ul style="list-style-type: none"> • . 	
Levels of Funding Available	
Application process	
Deadlines	
Monitoring arrangements	
Contact details for further information	

Voluntary and Community Sector organisations as defined by the VCS Strategy 2016-19 are

- Registered charities
- Community groups
- Community associations
- Tenants and residents groups
- Green Spaces Friends Groups
- Co-operatives and social enterprises
- School/parent groups
- Faith organisations
- Sports, environmental, arts and heritage organisations
- Grant making trusts
- Housing associations
- Non-constituted groups of residents working together to make a difference in their local communities

Glossary

Term	Explanation
Accountable body	An organisation which takes responsibility for funds or other resources on behalf of one or more other organisations. Normally this is a lead organisation for a joint service or linked services but can be where an organisation is supporting a group cannot meet a funder's governance requirements.
Capacity building	Usually refers to supporting VCS organisations develop good governance, policies and procedures to make them more effective, build skills among staff and volunteers and improve fundraising.
Codes of Practice	Documents which set out standards of behaviour often but not always produced by professional or trade bodies for their members.
Communities of identity/interest	Groups of people who feel a common bond. It could be disabled people, religious groups, minority ethnic groups etc. not usually used to describe geographic communities, though it could be.
Community Cohesion	[standard definition]
Community Plan	A document which sets out the shared vision of the public, private and business sectors for the future of the borough. It sets out high level outcomes for the people of the borough which all partners are working towards. The plan includes actions each partner has agreed to undertake.
Co-production	A process which involves people who use services being consulted, included and working together from the start to the end of any project that affects them
Core Costs	The costs an organisation has to meet regardless of whether it is actually providing services or not. It might include the cost of governance, AGM costs, back office costs such as finance and HR, premises costs and pension liabilities.
Delegated powers	A formal way of allowing decisions to be made by Council officers on day to day matters. There are strict rules on how much can be spent by officers under delegated powers and how these decisions are then recorded and reported.
Delivery plan	A plan which sets out how something will be provided. It may be a specific service or a number of services all designed to contribute towards achieving the same goal.
Employer's liability	An employer has duties towards his or her employees. If he or she fails to meet any of these duties, the employee may seek compensation. The term is usually used for a type of insurance employers are required to have to make sure that employees can claim compensation where appropriate.
External funder	Usually used by local authorities to refer to funding to VCS organisations from funders based outside the local area. Also used to refer to funds given to a local authority by, for instance, a government department or the Mayor of London to

	support local projects.
Governance	The constitution of an organisation, policies and procedures which enable it to operate in an open and transparent way.
Grants programme	Grants brought together under one overall umbrella with common principles, procedures and decision making. A programme may have a number of distinct grant themes within it.
Grants scheme	The detail of a grants theme setting out the details of its outcomes, objectives and procedures
Grants theme	Grants for a specific type of activity or purpose within a wider programme
Infrastructure	The underpinnings or things which hold something together. Usually used to refer to organisations whose main function is to support other organisations
Professional Indemnity	Insurance taken out by bodies giving advice to help protect them against claims for compensation for poor or incorrect advice. Compulsory for most advice agencies.
Project funding	Grants given for one off events or other strictly time limited projects
Public liability	Insurance taken out by organisations to protect them against claims from the public for compensation after an accident, for instance, or anything else where the organisation may be held responsible. Compulsory for organisations where there is any public access.
Revenue funding	Grants for a programme of work which may last for a year or longer. Revenue funding often has the opportunity for renewal or extension if the work is successful.
Safeguarding vulnerable people	Policies and procedures to help ensure that vulnerable adults and children are not exposed to danger, particularly from abuse.
Tendering	The process of potential providers bidding for contracts
Voluntary and Community Sector (VCS)	Organisations set up to achieve social objectives where any surplus is re-invested in the organisation rather than being distributed to members as profit. The types of organisation which the Council recognises as not for profit VCS organisations are set out in Appendix B
VCS Strategy	The Council's vision of its future relationship with the VCS agreed in 2016.