

## Tower Hamlets Council Local Community Fund Programme

### Frequently Asked Questions

These FAQs have been compiled in response to feedback the Council has had directly from VCS organisations, from Tower Hamlets Council for Voluntary Service (THCVS) and questions raised by groups with their elected Councillors.

	<p><b>Why is the funding changing?</b></p>	
	<p>Why are you still moving from commissioning to grants when other boroughs are moving the other way?</p> <p>Why can't I access a strategic grant?</p>	<p>The Council is committed to more transparent, open funding arrangements with the VCS, as set out in the VCS Strategy agreed in 2016. The changes the Council has been making towards achieving a more positive and robust funding relationship with the VCS has contributed towards the Commissioners being satisfied Tower Hamlets is an improving Council and the recent lifting of the Direction imposed by the government.</p> <p>The majority of local authorities which have retained specific funding for VCS services now commission in some way rather than using traditional grants programmes. A few, like Tower Hamlets, have retained a small grants programme alongside commissioning. Very few, if any, are going back to traditional grants after having moved to commissioning. Where this is happening it is likely to be in response to specific local circumstances.</p> <p>At this stage Tower Hamlets has no proposals for strategic grants. This type of grant support is usually only used in very specific circumstances where a local authority wants to fund an organisation or organisations for strategic activities linked to a wider programme.</p>
	<p><b>Budget</b></p>	
	<p>What is the budget?</p> <p>Has the amount of funding in MSG been kept the same as promised by the Mayor (in public)?</p>	<p>The amount of money allocated to the new funding programme is the same as the Council expects to spend on the current programmes in 2018/19. The budget will be £2.66m with a further £440k available through grants. The Council is committed to supporting the VCS. Even though we are forced to make significant cuts elsewhere, we believe supporting the sector is a high priority and brings good value for money for local residents.</p>
	<p><b>Support for small organisations</b></p>	
	<p>What support will there be for small organisations around the Local Community Fund?</p>	<p>The Council is working with THCVS and others to provide a comprehensive programme of training and support for all organisations but with a focus on those which are unfamiliar with the process. This will include:</p>

	<p>What support will they get to help co-produce their projects or services when they have never done this before and have no idea where to start?</p>	<ul style="list-style-type: none"> <li>• Breaking down the complexities of the bidding process</li> <li>• How to present an effective and competitive bid</li> <li>• Developing partnerships and consortia</li> <li>• Outcome based funding</li> <li>• Developing co-production with users</li> </ul> <p>As the programme is rolled out, details will be available on the THCVS website at <a href="http://www.thcvs.org.uk">www.thcvs.org.uk</a>.</p>
	<p><b>Themes, Priorities and Outcomes</b></p>	
	<p>Why have the 'themes' changed?</p> <p>How does the Local Community Fund link to the Tower Hamlets Plan or VCS Strategy?</p>	<p>The MSG themes were arranged along departmental lines within the Council. The co-production of the new themes and priorities takes a more holistic view. All of the themes cross internal departmental boundaries and the draft programme illustrates that some priorities are also shared across departmental responsibilities.</p> <p>All of the priorities in the Local Community Fund programme link to the priorities and outcomes of the Tower Hamlets Plan. Part of the assessment process will look for the golden thread linking the outcomes set out in organisations' bids through the higher level outcomes and priorities in the Local Community Fund through to the Tower Hamlets Plan.</p>
	<p><b>Co-production</b></p>	
	<p>How will the Local Community Fund be co-produced in line with the Council's commitments in the VCS strategy and borough plan?</p> <p>Why no co production as service users would recognise it in the documentation?</p>	<p>Co-production is an approach to working with local people which the Council is committed to implementing across all services wherever possible as part of its wider community engagement strategy. The development of the Local Community Fund framework is one of the first major projects to be piloted using this methodology. While we accept this has not reached the gold standard which we eventually hope to achieve, the level of engagement and commitment to the process shown by partners so far has been outstanding. It has been a learning experience particularly around the time it takes and the difficulties of 'engagement fatigue'.</p> <p>Co-production has focussed on working with organisations and this will continue as service specifications are developed. However, we are trying to develop, with the help of the sector, ways of taking this further and it is intended that the new funding arrangements will be flexible and include working with users and potential users to co-produce new outcomes throughout the life of the programme.</p>

	<b>Partnerships</b>	
	<p>What kind of partnerships will be required?          What support to create partnerships?          Consortia often don't work or the lead agency dominates and takes most of the cash. How do we avoid this?</p>	<p>The Council will not be requiring organisations to form partnerships or consortia. However, these arrangements can often lead to more effective, co-ordinated services and this will be highlighted in service specifications.</p> <p>THCVS will be helping partnerships and consortia to establish themselves. However, we recognise that the bidding process may be too short for complex consortia arrangements to be established and there will be opportunities for consortia to be formed post award where appropriate.</p> <p>The Council also recognises the difficulty in funding consortia arrangements and will look at different ways of ensuring the arrangements and funding of consortium working do not become a barrier.</p>
	<b>Social Value</b>	
	<p>How will the Local Community Fund meet the commitments to social value given by the Council?</p>	<p>Social value is now an integral part of the Council's commissioning process and is part of the bid evaluation process. VCS organisations are well placed to demonstrate social value in the work that they do.</p>
	<b>Innovation</b>	
	<p>We will the new programme support innovation?          If the Local Community Fund is based on innovation will you fund more of what we have been doing for the last 5 years?</p>	<p>We will be looking for innovative new ways of addressing the issues which local residents face. However, that does not mean tried and tested services will no longer be supported. What is important is that you can show that you have changed and evolved your activities to meet changing needs. The new programme will include an element of co-design with your service users to ensure that what you provide continues to meet their highest priority needs.</p>
	<b>Supporting local providers</b>	
	<p>How will you value localness?          How will the Council guard against well-resourced large organisations from outside the borough undercutting local providers with good track records and then providing inferior</p>	<p>Any form of commissioning or funding has at its heart gaining best value for local people in the delivery of public services to meet their needs. A local connection and knowledge of the community is often an integral element of a service. Trust, engagement with the local community and working alongside partners in a locality can make a significant difference to the effectiveness and value of a service. These considerations will be an important part of</p>

services?	the specification and evaluation process
<b>Service specifications</b>	
What will the service specifications look like?	<p>Service specifications will reflect the principles of co-production and co-design of services. They will also focus on outcomes rather than the more traditional, prescriptive outputs and input models. The specifications will therefore set out:</p> <ul style="list-style-type: none"> <li>a) The context of the specification, theme and priority within the programme that it relates to and the high level outcomes;</li> <li>b) The detailed outcomes which bidders' proposals are required to achieve;</li> <li>c) The requirements for appropriate local focus and how bidders might be expected to achieve these, and</li> <li>d) The requirements for co-design involving service users throughout the life of the funding to ensure the activities continue to meet the needs of local people.</li> </ul> <p>The requirements set out in the specifications will be proportionate to the amount of funding.</p>
<b>How do we cost bids?</b>	
<p>Can bids include core costs?  How will you take account of the increased rent costs arising from the move to market rents?  Will you specify the use of particular buildings and the rents that accrue to those?  Will we be no worse off from moving to market rents as was promised - If not a large proportion of the Local Community Fund will be eaten up by increased rents  What levels of insurance will the Council require for public liability and employers liability  What happens if we make a surplus on our contract?</p>	<p>Bids should include the full cost of the service. This will include an appropriate proportion of core costs governance, utilities, premises</p> <p>Local Community Fund specifications will not specify the use of any particular building.</p> <p>Organisations occupying Council owned premises will be expected to include a proportion of their premises costs in their bids. An internal budget adjustment will be made so that the Local Community Fund budget is not used to fund rent payments back to the Council.</p> <p>The Council will expect organisations to have adequate insurance. The levels of cover expected for different risks – public liability, employers etc – will be set out in the guidance documentation. This is part of the cost of the service and, while organisations will want to keep their costs as low as possible, the requirement is the same for all bidders.</p> <p>The agreements we enter into will not be public service contracts and so will not allow automatic retention of any surplus. However, if an organisation finds it is making a surplus, the Council will consider any proposal to reinvest this in the organisation's activities.</p>

	<b>Evaluation process</b>	
	Will interviews or presentations form part of the decision process	No, this is not likely to happen.
	<b>Appeals</b>	
	Is there an appeals process if we are unsuccessful?	As with all Council activities there is a complaints procedure if people believe they have not been treated fairly. The evaluation of bids will be checked and moderated to ensure they are assessed fairly against the agreed criteria. There will also be an equality impact analysis before final decisions are made.
	<b>Monitoring and Evaluation</b>	
	<p>What will the monitoring requirements be?  Will the monitoring arrangements be better than MSG monitoring?  How will monitoring data be used to evidence impact? How will that data be used – i.e. how will the data be used this time?</p>	<p>Monitoring and evaluation will be outcomes based. This means that if you are successful, the Council will agree with you the indicators which will show that you are achieving those outcomes and what data you will need to collect to measure this. We will also agree some outputs as performance indicators.</p> <p>Outcome based monitoring is essentially measuring impact. This is clearly more useful in evaluating the effectiveness of services than the outputs based monitoring which was the focus for much of the MSG programme.</p> <p>There will be a better mechanism for ensuring the data collected through the outcomes monitoring is fed through to support future policy making.</p>
	<b>Support for MSG funded organisations whose funding changes significantly</b>	
	<p>What support for unsuccessful organisations?  Will there be access to the hardship fund for unsuccessful organisations?  Have you thought about TUPE and who bears the cost (especially redundancy)</p>	<p>There will be activities currently funded through MSG which will not be funded through the Local Community Fund. Some of these may be significant, good quality services which no longer meet highest priority needs but which are, none the less, important in their communities. The Council recognises that in any period of change it is important to ensure that this happens in a managed, orderly way and that as far as possible any adverse impact on organisations and their service users is mitigated.</p> <p>To reduce the impact of change the Council will:</p> <ol style="list-style-type: none"> <li>a. Support a programme of capacity building to increase organisations' chance of bidding successfully, provided by THCVS, the Council and other providers;</li> </ol>

	<ul style="list-style-type: none"> <li>b. Give as much notice as possible when decisions are made to give organisations the opportunity to adjust to their new funding levels;</li> <li>c. Make available, through THCVS and other partners as appropriate, a programme of support available in advance of the end of MSG to help VCS organisations in the transition from MSG to either alternative funding or an orderly change in the level of service;</li> <li>d. Work with organisations to seek alternative provision for service users where a service is significantly reduced or comes to an end;</li> <li>e. Introduce a VCS Grants programme and link to other funders to provide funding opportunities for organisations to meet new and emerging needs and develop new ways of tackling existing needs, and</li> <li>f. Retain the Emergency Fund to help organisations meet the costs of transition, particularly those directly linked to lower levels of revenue funding.</li> </ul> <p>There will be no transfer of undertakings in the transition from MSG to the Local Community Fund so TUPE will not apply.</p> <p>MSG is fixed term funding with no commitment from the Council towards continuation at the end of the funding period or reasonable expectation that funding may continue. Organisations should therefore be responsible for making their own arrangements for potential liabilities.</p>
<b>Small grants</b>	
Will there be any small grants for really small projects like mine which gets £2K from MSG?	Parallel to the contract based funding programme the Council will be launching a small grant programme. Details can be found on the Council's funding pages or at <a href="http://www.thcvs.org.uk">www.thcvs.org.uk</a> .
<b>Seldom Heard Communities</b>	
How does the Local Community Fund seek to ensure it delivers for smaller more hard to reach communities or groups?	<p>Information about the programme will be disseminated through the traditional channels, through social media and VCS and other networks which are closer to seldom heard groups.</p> <p>The service specifications and bidding process will require organisations to specify how they will work with seldom heard communities and people with protected equalities characteristics.</p>
<b>Resourcing the process</b>	

	<p>Have you the expertise and resources to deliver on this programme?</p> <p>Does the Council presently have the capacity to deliver the Local Community Fund on time?</p> <p>How can you complete the Local Community Fund in less than 12 months for so many projects or services?</p>	<p>The Council acknowledges this is process which requires cultural change and the development of new skills and competencies both within the local authority and in the VCS. Wherever possible we are working jointly to develop a shared understanding of how co-production and outcomes based funding will evolve in Tower Hamlets.</p> <p>The Council has already made changes to increase our capacity to deliver the programme. Additional resources have been agreed to ensure the necessary skills and expertise are available to deliver the programme on time.</p>