

	London Borough of Hammersmith & Fulham CABINET 14 JULY 2014
3RD SECTOR INVESTMENT FUND	
Report of the Cabinet Member for Social Inclusion – Councillor Sue Fennimore	
Open Report	
Classification: For Decision Key Decision: Yes	
Wards Affected: all	
Accountable Executive Director: Jane West, Executive Director of Finance & Corporate Governance	
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1. EXECUTIVE SUMMARY

- 1.1 The current Third Sector Grants are due to expire at the end of October 2014 with new grants due to be awarded as from 1st November 2014 following the retendering of the fund in 2013-14. A one month extension of existing grants was agreed in 2013 to avoid a conflict in timetables with the local election processes and enable the Administration to make final decisions on the award of the new grants in July 2014
- 1.2 However, the recently elected Administration needs more time to consider the range of services to be recommended for funding, and to consider the level of support to the sector that can be made available. This includes waiting for the outcome of applications for Public Health Funding to support 3rd sector initiatives, which is due to be presented for Cabinet Decision on 1st September 2014.
- 1.3 This report therefore requests authority for the extension of current funding agreements, where currently funded groups sought funding for a similar service, until the end of November 2014. A decision on new funding will be scheduled for Cabinet Decision in September 2014, with funding commencing in 1st December 2014.

2. RECOMMENDATION

- 2.1 That an extension of one month be offered to those organisations which have applied for funding to deliver a service comparable/similar to the service they are already funded to provide, as set out in Appendix 1.

3. INTRODUCTION AND BACKGROUND

- 3.1. LBHF's corporate grants budget, the 3rd Sector Investment Fund is allocated through an open tendering process. All service areas were last tendered across two funding rounds in 2010 and 2011.
- 3.2 Services are funded across the service areas of:
- Infrastructure
 - Children, Young People & Families
 - Economic Development
 - Health & Wellbeing
 - Safer Communities
 - Arts, Culture & Sport
 - Environment & Community Transport
 - Homelessness Prevention & Home Safety
- 3.3 The current funding agreements are due to expire on 31st October 2014. In accordance with the terms of the funding agreement, the council is required to provide the providers with three months' notice of termination in order to terminate the existing funding agreements. The Cabinet Decision would therefore need to be taken on 14th July 2014.
- 3.4 The local elections in May 2014 resulted in a change of Administration for the London Borough of Hammersmith & Fulham. The new Administration has had a brief opportunity to consider the approach of officers in terms of the recommendations to be made, but need more time to more fully consider the approach and level of funding to be made available under this programme. In order to do this, the Cabinet Decision will be delayed until September 2014.
- 3.5 In order to offer at least three months' notice to groups from Cabinet Decision to the new funding term beginning, the delay in Cabinet Decision will also delay the implementation of the decision.
- 3.6 It is recommended that an extension of one month be offered to those organisations which have applied for funding to deliver a service comparable/similar to the service they are already funded to provide. Details of organisations and the level of funding to be offered are set out in Appendix 1.

4. PROPOSAL AND ISSUES

- 4.1. It is proposed that the Council extend the current third sector grants for a one month period to enable the Administration to give further consideration to the

approach to third sector support to be provided by the council, with a report submitted for Cabinet Decision on 1st September 2014.

- 4.2. In accordance with the terms of the funding agreements, providers must receive three months notification of the termination of the projects which would mean that notice should be given by the 1st August 2014. By extending the existing contracts by one month, expiring on 30th November 2014, would enable the new Cabinet to make decisions on the next round of grant funding.
- 4.3. The timetable for the communications with 3rd sector current providers and applicants is proposed as follows:
 - All current providers would be notified in writing of the extension of current funding immediately following Cabinet agreement.
 - Cabinet Report paper written for presentation in September 2014 for presentation to and decision by Cabinet.
 - Notification given to new providers immediately following the Cabinet Decision to extend contracts.
 - New grants to become effective from 1st December 2014.

5. OPTIONS AND ANALYSIS OF OPTIONS

- 5.1 A minimum period of 3 months is desirable for new providers to start providing the services from the point of which they are notified of their success in bidding. For new contracts to commence on 1 November 2014, a decision on the new funding would need to be made no later than 1st August 2014. Delaying the Cabinet Decision until September (there is no Cabinet meeting scheduled for August 2014) means that less than two months' notice would then be offered to groups.
- 5.2 Extending the current grants by one month would enable the Administration to confirm the level of support to be made available to the sector, and more fully consider the approach being taken by officers in reaching their conclusions and recommendations regarding which services to prioritise for funding. The extension will then allow for three months' notice to be given to all groups regarding the outcome of their funding application and cessation of their current funding agreement.
- 5.3 The Cabinet Decision on 3rd sector funding will realign funding terms to the financial years, and offer an initial funding term of 16 months with the option for annual 12 months extensions until March 2018. These extensions will be dependent on:
 - The Council's financial position and funding availability
 - Review of priorities for each service area
 - Satisfactory performance of agreed targets

6. CONSULTATION

- 6.1. All current providers and 3SIF applicants be written to advising them of the extension and their agreement will be formally sought.

5. EQUALITY IMPLICATIONS

- 7.1 An equalities impact assessment would not be required at this time as the current service delivery is unaffected.

8. LEGAL IMPLICATIONS

- 8.1 It is noted that it is proposed to extend the current third sector investment funding agreements, referred to in this report for an additional month to allow sufficient time for the new Administration to consider the scope of future funding.
- 8.2 The services described in this report are Part B services under the Public Contracts Regulations 2006 and are therefore not subject to the full regime of those Regulations. However, the Council should still seek to comply with general treaty principles of transparency, equal treatment, non-discrimination and proportionality. On this basis, contracts should not generally be extended beyond the term for which they were originally advertised and procured. However, in mitigation, it is noted that the extension is of a short period following which new, competitively procured contracts will be awarded.
- 8.3 Comments completed by: Kar-Yee Chan, Solicitor (Contracts), Bi-Borough Legal Services, 020 8753 2772.

9. FINANCIAL AND RESOURCES IMPLICATIONS

- 9.1 The proposed extension will be met from within the existing budgetary provision for the 3rd Sector Investment Fund.
- 9.2 Implications verified by: Andrew Lord, Head of Strategic Planning and Monitoring, Corporate Finance 020 8753 2531

LOCAL GOVERNMENT ACT 2000 **LIST OF BACKGROUND PAPERS USED IN PREPARING THIS REPORT**

Description of Background Papers	Name/Ext. of Holder of File/Copy	Department/Location
Current list of third sector funded organisations	Sue Spiller ext 2483	Community Investment Team, FCS

Appendix 1 List of organisations to be extended and contract values.