

Report of: Public Health Consultant

Report to: Director of Public Health

Date: 19th February 2016

Subject: To enter into a grant agreement with Leeds Community Foundation to administer the Leeds Lunch Club Grant commencing from 1st April for 12 months.

Are specific electoral Wards affected? If relevant, name(s) of Ward(s):	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Are there implications for equality and diversity and cohesion and integration?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Is the decision eligible for Call-In?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Does the report contain confidential or exempt information? If relevant, Access to Information Procedure Rule number: Appendix number:	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

Summary of main issues

1. This report seeks the authority to enter into a grant agreement with Leeds Community Foundation to transfer and administer all aspects of the council's Luncheon Club Grant fund of £185,000 for the 2016-17 financial year. The grant agreement would commence on 1st April for a period of 12 months.
2. The Lunch Club Grant has historically been managed by adult social care (ASC) as it was funded from the ASC budget. Since 2013-2014, the funding for Lunch Clubs has been paid for through the public health (PH) budget. Management and administration of the fund remained with ASC; however there are limited resources within the directorate to continue to manage the fund and therefore alternative solutions have been sought.
3. The 2015-16 Lunch Club Grant supported 82 organisations to provide hot meals for older people across Leeds. The grant has enabled at least 20 older people per organisation to enjoy a hot meal and companionship for at least 40 weeks of the year. Each week, approximately 2,500 older people benefit from attending lunch clubs.
4. A sum of £185,000 has been set aside as part of the council's budget setting for 2016-17 to support older people's lunch clubs across the city. The Lunch Club Grant budget

has remained at the same level for the past eight years even though the number of applications fluctuates.

5. Two options for managing the Lunch Club Grant were explored and these were to either transfer the grant to Community Committees or to a third sector organisation. The option to transfer the grant to Community Committees was discounted as the best value option was found to be to transfer the management of the grant to a third sector body, Leeds Community Foundation. The rationale for this is contained in the body of the report.
6. Leeds Community Foundation (LCF) has agreed that they would cover the cost of administering the grant fund through their own funds and therefore the full grant fund budget of £185,000 would be available to be allocated as grants. Efficiencies will be achieved through the saving of officer time. An additional benefit from the transfer will be the closer links LCF will be able to develop with its grant recipients as a community development focussed organisation. These links would support recipients to build capacity and LCF can also direct them to additional support when necessary.

Recommendations

7. The Director of Public Health is recommended to:
 - approve entering into a grant agreement with Leeds Community Foundation for the purpose of administering the annual Lunch Club Grant scheme of £185,000 for older people, to commence from 1st April for a period of 12 months.
 - note that the contract will be monitored by a nominated officer within ASC commissioning, with oversight from Public Health.

1 Purpose of this report

- 1.1 To provide information on the recommendation to enter into a grant agreement with Leeds Community Foundation (LCF) to manage and distribute the Leeds Lunch Club Grant fund totalling £185,000 for the 2016/17 financial year.

2 Background information

- 2.1 The Lunch Club annual grant offers a small financial contribution to promote and support voluntary groups who provide a hot nutritious meal and social activities for older people in Leeds in a communal environment for a predicted delivery of 40 weeks per year.
- 2.2 The Lunch Club grant is administered using an annual application procedure. Each year application forms and guidelines are posted or emailed out ahead of the start of the financial year. For the 2015-16 funding year, over 100 application packs were posted out and an advert was also placed in Voluntary Action Leeds electronic newsletter and appeared on their website. The closing date for completed applications

was the end November 2014. ASC offered guidance throughout the application process and offered a telephone contact point for individual enquiries.

- 2.3 The eligibility criteria for the Lunch Club grant are that the voluntary group must operate within the Leeds City Council geographical boundary and actively promote and support Leeds City Council policies. In addition the luncheon club must:
- be run by a user committee
 - serve approximately 20 hot meals per week to older people
 - have a constitution/governing document
 - produce and supply an annual report (not applicable to new clubs)
 - produce and supply annual accounts (not applicable to new clubs)
 - have an independent bank account in the name of the luncheon club
 - produce evidence of current Public Liability Insurance
 - complete and supply a Monitoring form of expenditure of previous LC grant (not applicable to new clubs)
 - new clubs must be able to demonstrate the need for the club and provide an overview
- 2.4 Applications to the Lunch Club grant fund are evaluated prior to the start of the financial year in which the grant is awarded and providing they meet all the criteria, funding agreements are sent out to groups which are then signed and returned before funding is released at the beginning of the next financial year.
- 2.5 The internal administrative formula used by the ASC evaluation panel to identify the elements of lunch club operation to be considered for a grant contribution calculates a provisional award dependent on the following attributes.
- Rent (if applicable)
 - Meals subsidy
 - Volunteer expenses
 - Insurance/training
- 2.6 If the total amount requested by organisations' exceeds the available budget then the grant is apportioned equitably between successful applicants based on a funding formula which reflects the level of demand for that year the outcome for applicants is that their grant sum can rise or fall depending on the number of successful applications drawing upon the grant budget. The reason for the variance in grant sums has been shared with applicants in previous years and has been positively received.
- 3 Main issues**
- 3.1 Until 2013-14 ASC funded and administered the city wide Lunch Club Grant, which supports approximately 80 Lunch Clubs per year. From 2014-15 the grant has been funded by PH with the fund administration remaining with ASC.
- 3.2 The work required to manage and administer the fund, support the varied infrastructure development of applicants and address the issues the funded groups generate is outside of the current capacity of any of the council's commissioning teams

and there is not an existing appropriate council contract or framework agreement in place to source such an organisation to manage it on behalf of the council.

- 3.3 Other options for managing the Lunch Club Grant were explored and these were to either transfer the grant to Community Committees or a third sector organisation. The option to transfer the grant to Community Committees was discounted as the best value option was found to be to transfer the management of the grant to Leeds Community Foundation.
- 3.4 The option to transfer the Lunch Club Grant to Community Committees was discounted for the following reasons:
- There is no capacity within the local area teams which support Community Committees to support the application process, administer and monitor the grant or provide infrastructure guidance and support to successful clubs. Additional resource could be paid for from the grant fund but this would significantly reduce the funding available to groups as no additional funding is available for administration costs.
 - Lunch clubs function on a local and/or city wide basis according to the geographic distribution of their community, for example, the Al-khidmat lunch club which attracts members from all over Leeds. The current grant structure follows this distribution pattern. Any future administration for the Community Committees would need to incorporate a central element to cover these city wide rather than area based clubs. It would prove difficult to distribute the fund into Community Committee areas and at the same time reflect this demand.
- 3.5 The option to transfer the grant to a third sector organisation, namely, Leeds Community Foundation (LCF), was found to be the best value option for the following reasons:
- Efficiency savings achieved within the council in respect of officer time saved in regards to managing the fund.
 - LCF's main purpose is the distribution of grant funds to local organisations and they already manage a number of small grant programmes on behalf of the Council so have a strong track record in this area.
 - LCF will not charge a fee for administering the grant fund and will cover the costs of this through their own funds so the proposal provides excellent value for money.
 - It makes full use of existing capacity and expertise within experienced community/ voluntary organisations as Leeds Community Foundation has the resources and expertise to build relationships with groups and work with them to access further support or funding.
 - Retained capacity to operate on either a local or a citywide basis to reflect the nature of the applicant organisations which themselves operate either on a local or a wider geographical basis.
- 3.6 In addition, the commissioning of a third sector organisation to manage the fund is in line with the council's commitment to civic enterprise and co-production.
- 3.7 LCF has been successfully commissioned by other council directorates to manage funds such as the Ideas that Change Live funded by ASC and the annual Innovation

Fund which is funded by Citizens and Communities. LCF is part of the Third Sector Leeds leadership group and is recognised as a key part of the third sector infrastructure, with the specific responsibility for acting as a conduit for funding into the city and the third sector.

- 3.8 LCF manage a portfolio of grant programmes. This means that organisations that apply inappropriately or unsuccessfully to the Lunch Club Grant fund can be steered towards these other funding sources. In addition LCF have traditionally built longer term relationships with the organisations that they fund and brokered support to groups from the private sector and other third sector organisations.
- 3.9 LCF evolved from collaboration between the Leeds Initiative, Leeds City Council and the Chamber of Commerce in 2004. It is registered as a charity and company limited by guarantee and was formally launched in 2005. To date, it has delivered over £15 million in grants to local groups, representing over 1,700 projects, benefiting well over 100,000 people. It is ranked as the 2nd largest Community Foundation in the country based on its turnover.
- 3.10 LCF have confirmed that they will not charge for the cost of managing and administering the fund. The management of the fund will involve carrying out the following activities:
- Agreeing the Lunch Club Grant objectives and criteria with the steering group that will comprise of LCF, PH and ASC.
 - Promotion of the grant including drawing up all marketing and support materials and answering queries from groups on on-going basis throughout scheme.
 - Assessing each application, raising questions and following up queries as appropriate (estimate receiving 80 applications).
 - Support for the assessment panel meeting including drawing up papers and attending the annual panel/doing minutes. Post-panel follow up and resolving queries with groups and sending out panel outcome letters.
 - Monitoring and evaluation of the fund, including producing an annual report on outcomes of the fund.
 - Administration of the fund (based on funding approximately 80 groups) which includes sending out terms and conditions, making grant payments and keeping in touch with the groups to resolve any queries.
- 3.11 PH have committed for 2016-17 to fund the Lunch Club grants and have a budget of £185,00 available to support the delivery of Lunch Clubs for older people in Leeds. The luncheon clubs delivery of a hot meal to approximately 2,500 older people will support the Health and Wellbeing Strategy's (HWS) aim for Leeds to be a healthy and caring city for all ages, where people who are the poorest will improve their health the fastest. The work will contribute to the delivery of two of the outcomes; (a) that people in Leeds will live longer and have healthier lives and b) people will live full and active independent lives.

- 3.12 Lunch Club outcomes will focus to improve the health of the poorest fastest by supporting vulnerable older people to live healthier lives and independent lives with a focus on malnutrition. The activity will support the Public Health Outcome Framework domains which are health improvement and addressing the wider determinants of ill health.
- 3.13 Following the conclusion that it would not be viable for the management of the Luncheon Club grant fund to move to the Community Committees, supported by area leads within citizens and communities, the Executive Member for Health, Wellbeing and Adults was consulted regarding the alternative option of transferring the administration and management of the Lunch Club Grant to LCF on 29th July 2015 and was supportive of this option.

4 Corporate Considerations

4.1 Consultation and Engagement

- 4.11 Each application form asks for the views of the applicant organisation regarding the application process. Clubs which have sought funding are asked for their view of the application process which helps identify if particular groups experience difficulties using the process or if particular issues create barriers to using the process. These contributions are then taken into consideration to improve the following years' application process. This has over a number of years resulted in grant guidance being rewritten, the date of the grant application period being brought forward, Lunch Club consultation meetings being coordinated city-wide, and, a telephone help line being offered.
- 4.12 The Executive Member for Health, Wellbeing and Adults was consulted on 29th July 2015 regarding the proposal to transfer the management and administration of the fund to Leeds Community Foundation following the option to transferring the management to Community Committees was discounted. No objections to the proposal were received.

4.2 Equality and Diversity / Cohesion and Integration

- 4.1.1 The current grant application process has received a number of suggestions for improvements from community groups to make it easier to access. This ensures the process is reflective of the demand from community groups. More than 20% of the applications to the Lunch Club Grant fund in 2015-16 were from BME communities and cultures and included Vietnamese, Irish, Kashmiri, Chinese, Caribbean and Polish people. The learning from previous application rounds will be built into the grant agreement with the external fund holder.
- 4.1.2 Under the Equality Act 2010, direct discrimination because of age can be justified if it is objectively justifiable – that is, 'a proportionate means of achieving a legitimate aim.' The grant scheme is specifically designed to provide a contribution to the running costs of lunch clubs operated by user led community and voluntary groups. The grant fund is therefore specifically targeted to benefit older people in Leeds. The grant documentation did not specifically set an age criteria, but does repeatedly use the phrase "older people".

- 4.1.3 An equality impact screening has been carried out and is attached at Appendix 1. As a result a full equality and diversity impact assessment is not required but a number of recommendations are to be actioned in regards to how the fund will be managed and administered for 2016-17.
- 4.1.4 It has been determined that due to the additional value such an organisation can bring, it is more appropriate for a third sector organisation to administer the funds targeted at the third sector.

4.2 Council Policies and City Priorities

- 4.2.1 The Best Council Plan 2015-20 outlines six key objectives for the council including the delivery of the better lives programme and supporting communities and tackling poverty. It also supports one of the seven breakthrough projects 'making Leeds the best place to grow old in'.
- 4.2.2 Through the provision of the luncheon club grants, Leeds City Council is also better placed to meet the requirements of the Care Act 2015. This includes providing effective preventative services to help people maintain healthy and independent lives wherever possible.
- 4.2.3 The grant fund also contributes to the overall vision of Leeds being a healthy and caring city for all ages, where people who are the poorest will improve their health the fastest, as detailed in the Leeds Joint Health and Wellbeing Strategy 2013-15.
- 4.2.4 In addition the grant supports a number of domains within the breakthrough project Making Leeds the Best City to Grow Old In.

4.3 Resources and Value for Money

- 4.3.1 The grant fund of £185,000 is to be funded from budget allocated for the Lunch Club Grant by PH in 2016-17, within existing resources.
- 4.3.2 LCF have confirmed that they will not charge an administrative fee for managing the grant fund and will cover these costs from their own funds. The usual charge for managing a grant fund is between 10-14% of the total grant fund and therefore this represents good value for money. The transfer of the management of the fund to an external body will also release officers to work on other priorities.

4.4 Legal Implications, Access to Information and Call In

- 4.4.1 There is no appropriate internal supplier to carry out the work due to limited resources within the existing commissioning teams to provide the breadth of support required by the administration, evaluation and ongoing grant management and there is not an appropriate Council contract or Framework Agreement in place from which to source an organisation to deliver the contract.

- 4.4.2 As this is a grant agreement it is not subject to the council's Contract Procedure Rules or the Public Procurement regulations. However, there is the risk that the council could be challenged by organisations who consider that they should also have been given an opportunity to deliver the service. It could be argued that this should have been dealt with by the award of a contract and that the matter should have been subject to a degree of competition. If this was dealt with by way of a contract it would fall below the EU procurement thresholds (falling within social and other specific services) and would not have to be advertised in Europe – but should, arguably, be subject to some degree of competition.
- 4.4.3 Due to the value of the grant fund that is being transferred to LCF the decision to enter into the grant agreement and transfer the funding to be distributed as part of the grant fund is classed as a Significant Operational Decision. As such it is required to be approved in line with the council's delegated decision making process and is not subject to call in.

4.5 Risk Management

- 4.5.1 The main risk to transferring the management of the fund to an external organisation is in relation to failure to put in sufficiently robust procedures to distribute and monitor the fund. To mitigate this risk a grant agreement will be put in place that clearly outlines the standards to which the grant fund must be managed and regular monitoring will take place against this agreement by a named officer in ASC's contracts team.

5 Conclusions

- 5.1 There are no longer the resources to manage the Lunch Club Grant within the council and there isn't a suitable existing framework from which to appoint an organisation to manage the fund.
- 5.2 The commissioning of a third sector organisation to manage a funding programme targeted at the third sector fits with our civic enterprise and co-production commitments.
- 5.3 Leeds Community Foundation is an organisation with a strong track record and a history of working closely with the council and managing third sector grant funds on its behalf.
- 5.4 LCF will cover the costs of the management and administration of the fund from their own funds and therefore the full amount of the grant transferred will be distributed as grants. In addition transferring the management of the fund to LCF enables the council to make efficiencies in regards to officer time.

6 Recommendations

- 6.1 The Director of Public Health is recommended to:
- approve entering into a grant agreement with Leeds Community Foundation for the purpose of administering the annual Lunch Club Grant scheme of £185,000 for older

people, to commence from 1st April for a period of 12 months.

- note that the contract will be monitored by a nominated officer within ASC commissioning, with oversight from Public Health.

7 Background documents

- No background documents.