

Report of: Chief Officer / Consultant in Public Health, Adults and Health

Report to: Director of Public Health

Date: 21 February 2018

Subject: Request to waive Contracts Procedure Rules 8.1 and 8.2 to enter into a contract with Leeds Community Foundation to administer the Leeds Lunch Club Grant commencing 1st April 2018 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 award a contract to Leeds Community Foundation to continue to administer the council's Luncheon Club Grant fund that equates to the total annual distribution of £166,500 for the 2018 -19 financial year to qualifying third sector organisations. Funding for the scheme in 2018/19 has been secured through the Improve Better Care Fund (iBCF). The contract would commence on 1st April 2018 for a period of 12 months.
2. The Lunch Club Grant was historically managed by adult social care (ASC) as it was funded from the ASC budget. Between 2013 and 2018, the funding for Lunch Clubs has been awarded through the public health (PH) budget. Management and administration of the fund remained with ASC; however this was not value for money in relation to staff time and with limited resources alternative solutions were sought.
3. After researching alternative solutions, two options for managing the Lunch Club Grant were explored. These were to either transfer the luncheon club grant budget 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 administration of the grant to a third sector body, Leeds Community

Foundation (LCF). It was agreed that this was best value for money for 2016 – 17, as they had the potential to also add to the fund from external sources, and for the first year their management fee was covered from these sources.

4. Therefore the Lunch Club grant was first administered by LCF in 2016/17 and continued in 2017/18.
5. In 2017-18 the Lunch Club Grant supported 87 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. In total each week, approximately 2500 older people benefit from attending lunch clubs.
6. The Lunch Club Grant budget has remained at the same level for eight years, however for 2017 – 18 the grant was subject to a 10% reduction because of the national reductions to the public health grant. A sum of £166,500 has been again secured as part of the iBCF (spring budget funding) for 2018/19. This is to continue to support older people's lunch clubs across the city as in previous years.
7. LCF has agreed for 2018/19 that they would apply 10% administering fee (£16,650) but in return they would continue to bring additional resource and added value to the programme including:
 - 7.1. Additional discretionary funding for direct lunch club activity – in 2017/18 £33,396 was paid directly to lunch clubs from LCF's own discretionary funds. It is envisaged that further discretionary funding will be available for club activity for 2018/19.
 - 7.2. LCF have supported lunch clubs to secure further funding.
 - 7.3. LCC has made efficiencies through the saving of officer time and a much simpler panel process.
 - 7.4. All lunch clubs now have Constitution Governing Documents which meet the Charity Commission guidelines. This means they have the required legal documents and compliance as a registered Food Business.
8. An exercise undertaken in 2016/17 highlighted that the basic criteria and funding formula used to award grants contributing towards meals, rent, volunteer expenses and supporting training, insurance etc was potentially placing lunch clubs at risk. The review of the criteria has led to a revised criteria being implemented by the panel to target people living in poverty, BME communities, and those socially isolated older people.

Recommendations

9. The Director of Public Health is recommended to:
 - Approve the waiver of contracts procedure rules 8.1 and 8.2 by entering into a contract with Leeds Community Foundation for the purpose of administering the annual Lunch Club Grant scheme of £166,500 for older people, to commence from 1st April 2018 for a period of 12 months. The value of the contract is £16,650
 - Note that the contract awarded to LCF will be monitored by a nominated officer within Public Health, with commissioning support from ASC commissioning.

1 Purpose of this report

- 1.1 To provide information on the recommendation to enter into a 12 month contract with Leeds Community Foundation (LCF) to administer/manage and distribute the Leeds Lunch Club Grant fund totalling £166,500 for the 2018/19 financial year at a contract value of £16,650.

2 Background information

- 2.1 The Lunch Club annual grant offers a small financial contribution to promote and support voluntary groups to 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 was first administered by LCF in 2016/17 and continued in 2017/18. LCF use an annual application procedure and provide application forms with guidelines posted or emailed out ahead of the start of the financial year. Each year, over 80 application packs have been posted out and an advert was also placed on LCF open grant website page and additionally appeared on Voluntary Action Leeds website and electronic newsletter. The closing date for completed applications was the end January each year. Additionally LCF offer guidance throughout the application process and 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 management committee, have a constitution/governing document and a bank account in the name of the club (or of the charitable organisation which runs the club)
 - serve approximately 20+ hot meals per week to older people
 - operate for at least 40 weeks of the year
 - have adequate insurance and volunteers who are trained, specifically in Food Handling
 - be registered as a food provider with Leeds City Council
 - new clubs must be able to demonstrate the need for their services

Priority is now given to clubs working with communities which face high levels of disadvantage and isolation.

- 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 LCF 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 over 80 Lunch Clubs per year. From 2014-15 the grant was funded by PH with the fund administration remaining with ASC.

3.2 It was agreed that the work required to manage and administer the fund, support the varied infrastructure development of applicants and address the issues the funded groups generate was outside of the current capacity of any of the council's commissioning teams. There also was not an existing appropriate council contract or framework agreement in place to source such an organisation to manage these elements 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 was 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 the 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 initially did not charge a fee for administering the grant fund and agreed to cover the costs of this through their own funds. However, for 2018/19 LCF will continue to bring additional resource and added value to the programme by:
 - (i) supporting lunch clubs to secure further funding
 - (ii) additional discretionary funding for direct lunch club activity – in 2017/18 £33,396 was paid directly to lunch clubs from LCF's own discretionary funds. It is envisaged that further discretionary funding will be available for club activity for 2018/19.
- 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 Winter Wellbeing by Public Health, 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 second largest Community Foundation in the country based on its turnover.

3.10 Following the conclusion in 2015 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.

3.11 Furthermore on the 10th October 2016 recommendations were proposed to the Executive Member for Health, Wellbeing and Adults regarding updating the Lunch Club funding formula to ensure it was targeted appropriately. The Executive Member was supportive of the integration of new eligibility criteria detailed below:

- level of deprivation using a sub set of the IMD relevant for older people,
- our most isolated areas (using the social isolation index)
- and city wide lunch clubs providing provision to key groups e.g. BME/ faith groups

3.12 LCF have confirmed that they are happy to continue to manage and administer the annual Lunch Club Grant for a further year. This will incur a fee of £16,650 for the cost of managing and administering the fund but philanthropic donations to LCF will cover the management fee, meaning the whole of the grant will be distributed to lunch clubs. The management of the fund will involve carrying out the following activities:

- Agreeing the Lunch Club Grant objectives and utilise the criteria focusing on poverty, BME communities and those living in social isolation with the steering group that will comprise of LCF, PH, ASC and Leeds Older People Forum.
- 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.

3.13 In addition LCF have bought the following benefits:

- Additional discretionary funding for direct lunch club activity
 - In 2017/18 £33,396 was paid directly to lunch clubs from LCF's discretionary funds
 - This included £6,399 paid to Hamwattan and Roscoe Lunch Clubs. Both run services for disadvantaged communities and were on the brink of collapse.
- Support for Lunch Clubs to secure further funding e.g.
 - Namaste secured a small grant for activities (yoga, art, etc.)

- St Chad's Lunch Club did not submit an application to the fund due to an administration error. LCF were able to secure them other funding so they did not have to increase the charge to members.
- Leeds Chinese Community Association Ltd Elderly Lunch Club secured a grant to set up a singing group
- Saheli secured a grant to run classes on basic computer skills, social media, using Google/YouTube to find information etc.
- South Leeds Carers Lunch Club secured a grant for volunteer befriending and outreach
- Enabling Lunch Clubs to find out about grants who were already running but were unaware of grants
 - BHI - Eat Together, Grow Together
 - Rainbow Junk-tion
 - Sawan Vihar (were funded by another multi-year grant which was coming to end and would have meant having to close)
 - St Mary's Lunch Club
- Supporting new Lunch Clubs to establish:
 - Ciaran Bingham Lunch Clubs (weekend lunch clubs)
 - Cottingley Luncheon Club
 - T Days Lunch Club
 - Dementia Lunch Club Dover Street
 - Friday Lunch Club LWIC
 - Friendly Lunch Club (for elderly Roma people, a community not previously catered for)
 - Village Hall Monday Club
 - South Leeds Carers Lunch Club
 - Welcome In Luncheon Club
- Other added value
 - Much simpler panel process – takes 1.5hrs whereas it used to take 1 to 2 days
 - Simpler, more flexible process for the clubs
 - The Lunch Clubs now all have Constitution Governing Documents which meet Charity Commission guidelines.

3.14 Funding for the 2018/19 has been secured through the iBCF. £166,500 is available to support the delivery of Lunch Clubs for older people in Leeds. The lunch clubs will deliver a hot meal to approximately 2,500 older people in the city, targeting disadvantaged communities, BME groups and those experiencing isolation.

3.15 This scheme supports the Health and Wellbeing Strategy (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.

- 3.16 Lunch Club outcomes will focus to improve the health of the poorest fastest by supporting vulnerable older people to live healthier, independent lives with a focus on addressing malnutrition. The activity will support the Public Health Outcome Framework domains focusing on healthy ageing which are health improvement and addressing the wider determinants of ill health, and the delivery of the Breakthrough project – Making Leeds the Best City to Grow old in.
- 3.15 The LCF panel are considered to be in the most appropriate position to integrate the additional eligibility criteria in the remit to award fair and equitable grant funds to lunch club organisations where people who are the poorest will improve their health the fastest.

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 management to Community Committees was discounted. No objections to the proposal were received.
- 4.13 Subsequent updates on the lunch club grant administration have been provided to Executive Member for Health, Wellbeing and Adults on 18th April 2016 and 10th October 2016. There has been no issues reported and all lunch clubs are fulfilling their core function with additional support facilitated by LCF.
- 4.14 LCF has been able to promote the Older People Matters Food Group (OPMFG) and the Leeds Food Consensus with support from PH and ASC to lunch clubs making positive steps promoting older people nutritional needs. LCF have been able to link clubs with other organisations to help increase referrals, membership and food choice and quality. Lunch clubs have also now been placed onto the Leeds Directory therefore allowing for referrals to be made from supporting organisations and from vulnerable older people.

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 2016-17 were from BME communities and cultures and included Vietnamese, Irish, Hamara, 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 2017-18.
- 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 being LCF 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.
- 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 Health and Wellbeing Strategy 2016-21.
- 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 £166,500 and the administration/management of the contract for 12 months at £16,650 will be funded from budget allocated for the Lunch Club Grant by PH in 2017-18, within existing resources.

4.3.2 LCF have confirmed that they will charge an administrative fee of £16,650 for managing the allocation of the grant fund but will cover these costs from philanthropic funds. This charge for managing a grant fund is 10% of the total grant fund and with the identification of additional funds enabling the entire annual grant fund to be distributed this still represents good value for money. The transfer of the management of the fund to an external body will also continue to 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 service provider 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 external Council contract or Framework Agreement in place from which to source an organisation to deliver the contract.

4.4.2 Awarding a contract directly to Leeds Community Foundation in this way could leave the council open to a potential claim from other providers, to whom this contract could be of interest that it has not been wholly transparent as the opportunity is not being advertised and at least three written tenders invited. However, due to the comments set out in paragraph 3.5 above this risk appears low.

4.4.3 Due to the value of the contract to administer and manage the total grant fund that will be distributed to lunch clubs the contract 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 This is a 12 month contract with a known and experienced provider. The contract will clearly outline the standards to which the grant fund must be managed and regular monitoring will take place against this agreement by an officer in ASC's contracts team.

4.5.2 Should the grant funding element not be spent within a reasonable time scale the Council reserves the right to recall any unspent funding at its discretion including any associated administration fee.

5 Conclusions

5.1 There still remain no 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 continued commissioning of a third sector organisation for a third year to manage a funding programme targeted at the third sector fits with our civic enterprise and co-production commitments.

5.3 Leeds Community Foundation has shown that the decision for the last two years to commission the lunch club grant was appropriate. LCF now has experience in

managing the lunch club grant and 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 utilise identified philanthropic funds to cover the entire costs of the £16,650 management and administration fee 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 the waiver of contracts procedure rules 8.1 and 8.2 by entering into a contract with Leeds Community Foundation for the purpose of administering the annual Lunch Cub Grant scheme of £166,500 for older people, to commence from 1st April 2018 for a period of 12 months. The value of the contract is £16,650
- Note that the contract awarded to LCF will be monitored by a nominated officer within Public Health, with commissioning support from ASC commissioning.

7 Background documents

- No background documents.