

GRANTS DETERMINATION (CABINET) SUB-COMMITTEE SUPPLEMENTARY AGENDA

MAYOR

Mayor John Biggs

MEMBERS

Councillor Sirajul Islam	(Statutory Deputy Mayor and Cabinet Member for Housing Management & Performance)
Councillor Rachael Saunders	Deputy Mayor and Cabinet Member for Education & Children's Services
Councillor Asma Begum	(Cabinet Member for Culture)

Deputies:

Councillor David Edgar (Cabinet Member for Resources)

[The quorum for the meeting is 3 Members]

MEETING DETAILS

Tuesday, 17 January 2017 at 5.00 p.m.
MP702, 7th Floor, Town Hall, Mulberry Place, 5 Clove Crescent, London E14 2BG.

The meeting is open to the public to attend.

Further Information

The public are welcome to attend meetings of the Grants Determination Sub-Committee.

Contact for further enquiries:

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Web: <http://www.towerhamlets.gov.uk/committee>

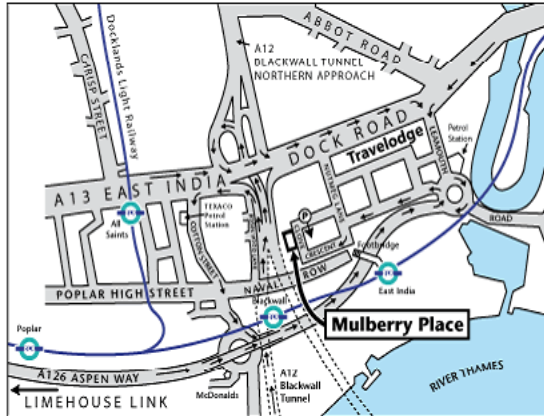
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7.4 MSG Project Performance Report - Period 4 - July to September 2016 (Pages 1 - 22)

The next meeting will be held at Tuesday, 14 February 2017 and MP702, 7th Floor, Town Hall, Mulberry Place, 5 Clove Crescent, London E14 2BG.

ITEM 6.4 – MSG MONITORING REPORT SUPPLEMENTARY INFORMATION

- 1.1 Since the MSG performance monitoring report for period 4 has been produced, there have been further developments in relation to four projects. The developments and organisations are as follows:

Monakka Monowar Welfare Foundation - update

- 1.2 Recommendation 3 within the main report requests Commissioners allow Monakka Monowar until 21st December 2016 to submit a detailed business plan and detailed request for project variation and in the event that this information was not forthcoming, the recommendation was that Commissioners consider funding be withdrawn and the project be closed.

Incomplete information was received from the group and after further information was requested, on 9th January 2017 the organisation emailed to advise they wish to terminate project activities.

- 3.2 Green Candle Dance Company – variation update

Green Candle Dance Company have now submitted their revised significant variation request

A number of changes have been requested and these include changes to the target outcomes. At the last Commissioners' decision making meeting it was recommended that officers undertake further work with the Green Candle Dance Company to establish revisions to the targets that provide sufficient measurable outputs and outcomes.

Further negotiation with the group has been undertaken and a minimum performance target has been set for outcomes that required to be varied. A number of new outputs and targets have also been proposed. These are detailed at Appendix 1 and 2 of this update report.

Officers are satisfied that the newly revised targets and outcomes deliver value for money when benchmarked against comparable projects and given the nature of the specialist provision.

Recommendation 8

Commissioners are recommended to approve the significant variation request for the Green Candle Dance Company attached at Appendix 1.

3.3 Somali Parents and Childrens Play – Somali Women engagement Forum – briefing

Commissioners requested an Officer briefing on the Somali Parents and Play project given the performance ratings of the project.

The briefing is attached at Appendix 3 of this update report.

3.4 Shadwell Community Project – The People Gap – variation update

By way of update to the variation request from the Shadwell Community Project (SCP), as at 9th January 2017 the SCP has submitted satisfactory finance monitoring returns for Periods 1 to 3 and outstanding monitoring information for Period 4 to LBTH.

SCP will be meeting with Tower Hamlets CVS on 17th January 2017 to finalise an organisational action plan.

SCP has also agreed a timeframe to respond to the Council.

SCP have requested a minor amendment to the significant variation request that was made for The People GAP project at the Commissioners' Decision Making meeting on 8th November 2016.

The Shadwell Community Project would like to reinstate two of the referral-based outputs that were approved for deletion at the meeting – Number of residents referred to other organisations (18 outputs over three years); Referral to and from school (12 outputs over three years) – and delete another referral based output; Beneficiaries referred from and to Health organisations (14 outputs over three years). In considering recommendation 6 of the main report, Commissioners are also requested to approve these amendments.

The referral based outputs represent a small proportion of project activity as the standard number of beneficiaries for a given project year is 550. The minor variation has been agreed.

Appendix 1 – Green Candle Significant Variation Request

Green Candle Dance Company – Dance for Health at Oxford House Grant award £83,125 for the lifetime of the contract, £27,708 per year

After being rated GREEN in the first period, the project was classed as AMBER for the January to March and April to June, July to September and October to December 2016 periods. Due to a number of reasons, the organisation has not been able to recruit the agreed target number of beneficiaries to its activity sessions, which has had a negative impact on overall project performance. A 'significant variation' request has been received.

The organisation has cited a number of reasons as to why the variation has been sought which in the main centre around the health issues and ill health recovery times of clients which are impacting on delivery.

The reasons for the variation request include:

The organisation serves participants who in the main are people suffering from dementia at the Dance for Health at Oxford House programme. The number of projected regular attendees is expected to be lower than originally expected due to their health condition.

The number of regular attendees originally stated reflected the total number of attendees on the register/full cohort at the time of the application rather than the total number of regular attendees.

Not all participants are able to attend every week for several reasons (mainly health related) therefore the average number of regular attendees is lower than the total cohort.

The number of regular attendees in the original application also included participants from both within Tower Hamlets and those from outside of the Borough. It was not apparent that the total number of attendees should only include those from within the borough, until after the first quarterly report had been submitted.

The following have been highlighted as the reasons there will be fewer regular participant

- fluctuation in attendance due to greater levels of susceptibility to ill health in the older population
- subsequent need to attend appointments/check-ups/investigative tests
- longer recovery time in older people after ill health
- difficulty and concern attending in poor weather

- difficulty attending due to carer being unavailable
- travelling/visiting family during term time as costs are lower
- The table attached sets out requested variations to three of the targeted outcomes

Appendix 3

Grant information

Recipient:	Somali Women Engagement Forum
MSG funding stream:	Theme 5 - Community Engagement, Cohesion and Resilience
Project:	Collective Conscience Project
Start Date:	1 September 2015
Term	19 Months
End date	31 March 2017
Total Grant Award:	£16,000
Grant Officer:	Hilary Hughes

Purpose of the Grant

This project aims to develop Somali women as leaders who can speak for the interests of their community and promotes community cohesion to help build strong and resilient community. Activities include weekly sessions, coffee/discussion events with women from other communities volunteering and supporting the women with community engagement.

Progress made:

The organisation is implementing weekly sessions. Unannounced visits confirmed that attendance is as expected. Paperwork provided at monitoring meetings indicates that the organisation is providing the service. During the June to September quarter 18 women attended sessions. However, it is considered that the quality of service provided could be improved.

Staff have been working with the Grants Officer to ensure delivery is in line with the agreement and gaps in service are addressed. A timetable of increased activity is in place to address the previously reduced output reported.

Officer comments:

We are now in the final quarter of this project that provides activities for Women from the Somali community. There are limited alternative services for Somali women residents. Funding changes for this project would have an equality impact on the MSG funding allocation. Consequently we have worked with this organisation to improve project delivery. The organisation has also been referred to and is engaged with the THCVS for support. The organisation is aware that we are performing a delivery audit. If the project fails to demonstrate all expected activities have been delivered by the end of the March this will result in reduction of the grant payment. The intention is to withhold the final payment until the April monitoring report provides satisfactory evidence. We are continuing to work closely with the organisation.

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Appendix 2 - Green Candle Dance Company: Prevention, Health and Wellbeing
MSG 2015-2018

Table1. Outcome evidencing requirements and target date(s)

Target Outcomes	How Outcomes will be measured and evidenced	Target Date
- Minimum of 10% increase in regular attendance for both workshops over the life of the project.	Company keeps weekly attendance registers and monitors number of new attendees.	On-going. 10% increase in attendance aimed for August 2018
- 50% of participants reporting one of the following: more mobility feeling 'better' emotionally and less isolation over the life of the project	The company undertakes annual Health and Wellbeing evaluations with participants and carers, at the start and end of each academic year – both groups.	Annually at the end of each academic year
- 40% of participants report a reduction in the number of falls experienced, or an increase in confidence when it comes to falls avoidance over the life of the project	Base line Falls monitoring on registration of all attendees. On-going annual monitoring on falls through evaluation process at start and end of each academic year – both groups.	Annually at the end of each academic year
- Session leaders and carers reporting increased engagement and sociability among a majority of participants with dementia over the life of the project	Observational reporting from session leaders, and verbal/written feedback from participants and carers.	Annually at the end of each academic year
- 40% of carers reporting that they feel less socially isolated as a result of attending the workshops and have made lasting friendships over the life of the project.	On-going annual Health and Wellbeing monitoring of carers including verbal/written feedback and termly observational case studies – Friday group.	Annually (Academic Year): Health and Wellbeing <i>and</i> Termly(Academic Term): Case Studies
- All participants and carers given information about better nutrition and healthy living options	Nutritional advice to include relevant signposting to other organisations	On-going
- All participants gain awareness of technology via an introductory creative digital workshop which aims to familiarise participants and carers with digital technology and the internet, exploring its use as a tool for individuals to access new opportunities and information, and by doing so broadening their knowledge and raising awareness of the possibilities available to them through the use of technology, in turn building confidence and helping to combat isolation.	The company will undertake a questionnaire with regards to participants' computer skills, and arrange a number of workshops accordingly over the three year period. Additionally the company will purchase an IPAD and use the company's laptop with participants when undertaking evaluations.	Digital workshops by end of quarter 3 2016.

Table3. Output evidencing requirements

	Outputs Description	Evidencing Requirements
1	Number of Tuesday sessions for older people:	Registration form and attendance register
2	Number of regular attendees at Tuesday sessions	Registration form and attendance register
3	Number of Friday sessions for participants with dementia and their carer	Registration form and attendance register
4	Number of regular attendees at Friday sessions	Registration forms and attendance register
5	Number of unique users attending sessions	Registration form and attendance register
6	Number of users accessing services for the first time	Registration form and attendance register
7	Number of Board/trustees attending capacity building training	Attendance register with evidence of capacity building training and/or certificate

Outputs	Apr/Jun 2015	Jul/Aug 2015	Oct/Dec 2015	Jan/Mar 2016	TOTAL
Number of Tuesday sessions, for older people			10	10	20
Number of regular attendees at Tuesday sessions (average of 7 per session)			70	70	140
Number of Friday sessions, for participants with dementia and their carers			10	10	20
Number of regular attendees at Friday sessions (average of 13 per session)			130	130	260
Number of unique users attending sessions			32	32	N/A
Number of users accessing services for the first time			0	0	0
Members of the Board/trustees attending capacity building training			N/A	N/A	0

Outputs	Apr/Jun 2016	Jul/Sep 2016	Oct/Dec 2016	Jan/Mar 2017	TOTAL
Number of Tuesday sessions, for older people	8	4	8	10	30
Number of regular attendees at Tuesday sessions (average of 7 per session)	56	28	56	70	210
Number of Friday sessions, for participants with dementia and their carers	8	4	8	10	30
Number of regular attendees at Friday sessions (average of 14 per session)	112	56	112	140	420
Number of taster sessions delivered (to at least 12 participants)	0	1	1	1	4
Number of attendances at taster sessions	0	12	12	12	36
Number of unique users attending sessions	36	40	40	40	N/A
Number of users accessing services for the first time	3	13	13	13	42
Members of the Board/trustees attending capacity building training	N/A	N/A	N/A	N/A	1

building training					
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Outputs	Apr/Jun 2017	Jul/Sep 2017	Oct/Dec 2017	Jan/Mar 2018	TOTAL
Number of Tuesday sessions, for older people	8	4	8	10	30
Number of regular attendees at Tuesday sessions (average of 9 per session)	72	36	82	90	270
Number of Friday sessions, for participants with dementia and their carers	8	4	8	10	30
Number of regular attendees at Friday sessions (average of 15 per session)	120	60	120	150	450
Number of taster sessions delivered (to at least 12 participants)	1	2	1	1	5
Number of attendances at taster sessions	12	24	12	12	60
Number of unique users attending sessions	42	52	42	42	N/A
Number of users accessing services for the first time	13	22	13	13	71
Members of the Board/trustees attending capacity building training	N/A	N/A	N/A	N/A	1

Outputs	Apr/Jun 2018	Jul/Aug 2018	Sep/Dec 2018	Jan/Mar 2019	TOTAL
Number of Tuesday sessions, for older people	8	2			10
Number of regular attendees at Tuesday sessions (average of 9 per session)	88	22			110
Number of Friday sessions, for participants with dementia and their carers	8	2			10
Number of regular attendees at Friday sessions (average of 15 per session)	120	30			150
Number of taster sessions delivered (to at least 12 participants)	1	2			3
Number of attendances at taster sessions	12	24			36
Number of unique users attending sessions	45	55			N/A
Number of users accessing services for the first time	12	22			38
Members of the Board/trustees attending capacity building training	N/A	N/A			NA

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The Shadwell Community Project

Glamis Adventure Playground

Free adventure play for children in Shadwell

16th January 2017

Lease renewal 2016. Glamis Adventure Playground.

To Whom It May Concern: Commissioner's Meeting 17th January 2017.

Dear Commissioners,

The Shadwell Community Project is aware that the subject of our lease with LBTH for the above site may be discussed at the meeting on the 17th January 2017. Therefore we would like the Commissioners to be aware of our diligence in trying to renew the lease over the last 16 months, as set out below.

The first lease granted to The Shadwell Community Project by LBTH, for land on which Glamis Adventure Playground and Glamis Place Community Gardens sit, was for a period of five years, from October 2011 to 2016. The land which these projects occupy, is designated open space. The agreed rent was a peppercorn rent.

During the period of the first lease, The Shadwell Community Project, raised almost £240k to have a log cabin building constructed on the Glamis Adventure Playground site. This was undertaken after consent was obtained from LBTH. Construction began in December 2013 and the building is now in use.

In September 2015 contact was made with the Parks Department, specifically Stephen Murray, with a view to beginning the renegotiation process for the lease. Despite the renewal date being over a year away we felt that this would be sufficient time to achieve renewal.

Stephen Murray with Devesha Gandesha (Parks Dept) paid a visit to the project to discuss renewal terms, in September 2015. It was agreed that the renewal would go ahead on the same terms as the first lease.

However, in the intervening months between the end of 2015 and the spring of 2016 a rent, rates and lease review was conducted by LBTH, thus effectively holding up the renewal process. It was not until July 2016 that any approach was made to us, by LBTH via SFP Properties, who were carrying out the property reviews for LBTH. At this point they wanted to carry out an inspection of the site which was undertaken on the 7th July.

The next contact we received was from SFP to arrange an informal meeting on the 13th Sept 2016, with SFP (Jeremy Percival) and Mark Handford-Jones LBTH to discuss the findings of the review with a view to negotiating a rent for the property. This meeting was also attended by Gemma Cossins of THCVS

Following the visit and meeting Shadwell Community Project consulted with a range of interested parties including local councillors and the conclusion we came to was that our proposal should ask for the same lease conditions as the previous lease, with a peppercorn rent. We sent this proposal to SFP and by Councillor Dave Chesterton to The Mayor, Deputy Mayor and Anne Sutcliffe, Service Head, Corporate Property & Capital Delivery.

Glamis Adventure Playground is managed by **The Shadwell Community Project Ltd**

The Shadwell Community Project:

Chair: Peter McGeary

Treasurer: Paul Kellaway

Company No: 04647229

Charity No: 1100271

Registered Address:

10 Glamis Road, London, E1W 3EG

The Shadwell Community Project

Glamis Adventure Playground

Free adventure play for children in Shadwell

In a reply to Councillor Chesterton's enquiry, from Anne Chesterton dated 20th October 2016 (Enquiry number: 625365), it was agreed by LBTH that the lease should be renewed, with a peppercorn rent.

However, as of today's date no further progress has been made with the lease renewal, and although we were assured by LBTH that lease conditions still apply whilst the negotiations take place, some of our funders are concerned that the renewal hasn't been completed. This concern even extends to our LBTH MSG Grants Officer, who has advised us that our grant is at risk without a current lease.

As you will be aware The Shadwell Community Project manages both Glamis Adventure Playground and Glamis Place Community Gardens. Our main function is to manage the adventure playground, but we have oversight of and support the Glamis Place Community Gardens.

Glamis Adventure Playground has provided a much needed playspace, with well trained staff in Shadwell, since the late 1960's, becoming a charity in 2003, embracing all children, even the difficult ones, offering them a space away from the tensions of urban life, in a place where they can be children and do the things children do.

We are funded entirely by grants from organisations such as the Lottery, Tower Hill Trust and many other organisations, including a small grant from LBTH, which funds our People GAP, outreach programme.

Should you require any further information, please don't hesitate to contact me.

Regards,

Mark Halden
Project Manager/Senior Playworker

Glamis Adventure Playground is managed by **The Shadwell Community Project Ltd**

The Shadwell Community Project:
Chair: Peter McGeary
Treasurer: Paul Kellaway

Company No: 04647229
Charity No: 1100271

Registered Address:
10 Glamis Road, London, E1W 3EG

-----Original Message-----

From: Joycelyn hayford [<mailto:bwhafs@btconnect.com>]

Sent: 16 January 2017 14:47

To: Commissioners

Cc: [XXXXXXXXXXXXXXXXXXXX](#)

Subject: PREMISES LEASE/MAINSTREAM GRANTS PAYMENT

Dear Commissioners

Black Women's Health & Family Support (BWHAFS) is a registered Charity established in 1982 by a group of Somali women to campaign against the harmful practice of Female Genital Mutilation (FGM) and other health related issues that affects women and their families. BWHAFS has been funded by the London Borough of Tower Hamlets over past 20 years.

We facilitate programmes for both young people and elderly women. We offer Supplementary Education, and Afterschool Club for 7-13 years, and Women's empowerment Programmes (ESOL, ICT, Designs & Textiles), and Health & Well-being programmes for older women aged 50+. We also provide health and social care services for hidden carers and their cared for clients living in the borough. Last year alone 3,004 users benefitted from our services.

As mentioned in our previous email to you, we were only recently informed by one of our Grants officers that our Mainstream grants has been withheld due to the fact that our organisation have no premises lease in place. No formal notification ie. letter, email or fax was received from the council.

In 1997 a lease was sent to us which was not signed due to lack of clarity in certain parts of the legal document. The board of trustees at the time appointed a solicitor (Ms Elisabeth Millar) to act on our behalf. Unfortunately no response was received from the council and no new lease was issued us.

In 2014 our side of the building was measured by a member of staff from the council, who informed us that a lease will be sent to us, which was not received.

BWHAFS acknowledges the need for the organisation to have in place a signed lease which will enable us start paying rent to the council. Our centre has always been used for community provision and not classifying it as a community building is worrying as all our services are free for service users. BWHAFS have very limited funding and that we would have to budget for a reasonable rent, as a sudden increase in rent and overheads would have serious financial impact on the organisation.

Also suspending our mainstream grants until a lease is signed will extremely affect our services, as majority of our beneficiaries are elderly, widows, lonely, isolated and with serious medical conditions.

Members of staff who are single mothers with younger children will live in deprivation due to non payment of salaries. Sadly, members of staff were not paid in December for their families to enjoy Christmas.

The organisation will not be able to pay its invoices on time and late payment charges will be incurred from bankers and some creditors.

We would therefore like the Commissioners to reconsider your decision by releasing our quarterly funding, while we negotiate for the premises lease to be signed to help maintain these valuable services and dedicated staff.

Joycelyn Hayford
Operations Director.

Black Women's Health & Family Support
1st Floor. 82 Russia Lane
London E2 9LU
Tel: 020 8980 3503 Fax: 020 8980 6314
Email: bwhafs@btconnect.com
Web: www.bwhafs.com

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Joint submission from the **Age UK East London and Black Women's Health and Family Support** to The Commissioners' Decision Makers meeting 17.01.2017 regarding the lease on 82 Russia Lane and the classification of the building.

Dear Commissioners,

When considering suspending grants to our organisations and the classification of this building we would like you to consider the following points:

1. AUKEL and BWHAFS have not had a formal letter, email or call regarding the issue of a lease causing the withholding of grants. Both our organisations were informally told via our grants officer that grants were being withheld and, in the case of AUKEL, this was as late as Friday 13th January 2017. No lease has been sent by the council for discussion. It is difficult to understand why our grants would be withheld for not having a lease without any opportunity to negotiate or discuss this.
2. Both our organisations had previously attempted to obtain a lease in 1997 but this was not followed through by the council and questions from our solicitors were not answered.
3. We would welcome the opportunity to negotiate a lease.
4. We need to sensibly plan for the introduction of rent - a sudden increase in overheads will threaten the survival of both our organisations as will the withholding of grants. We have been given no opportunity to plan for an increase in expenditure and our budgets did not make a provision for rent.
5. 82 Russia Lane has been used for community provision since it was built. Age UK East London was involved in the vision and design for the building which was always intended for community use and has occupied it since its completion. Over decades it has become well established as a community resource. For example, there is a drop in service for older people which was accessed by 715 older people in 2016. Both our organisations support exceptionally vulnerable people many of whom are living alone, who feel isolated and are struggling with complex health conditions. The services provided from both organisations are free for our clients. If both organisations are forced to stop our services, the consequences for over 5,000 frail and mainly elderly residents in Tower Hamlets will be severe. We have very restricted funds and whilst Age UK East London has a brand partnership with Age UK it is an independent local charity and needs to raise all of its funding locally.
6. There is a council run dementia day centre on the ground floor and all the organisations occupying this building need to be mindful and respectful of the needs of the visitors to this centre with whom we have daily contact. We have no control over the classification of this building but it clearly has always operated as a community centre and is well known as the place to go to for help.
7. Suspending our grants will also result in our organisations being unable to pay staff, many of whom are local single mothers with young children. BWHAFS have already had to suspend salaries since December - just before Christmas.
8. The effect on cash flow from the grant suspension will result in late payment of our invoices and potential penalty payments.
9. Finally, both organisations have been working in this borough for many decades supporting clients in the community, in hospital and at home. We have significant knowledge both of the local need and of the other provisions and organisations and believe the added value we bring will be lost if we are unable to secure a fair rent and a timed negotiation. Ultimately it will be our clients in Tower Hamlets who will be left with the consequences of the loss of our

services. This can be easily avoided if we are allowed to negotiate a lease with the council without the unfair threat of continued grant suspension.

We would therefore ask the Commissioners to reconsider suspending our grants and agree to a sensible timeline within which to negotiate our lease. We would also ask that 82 Russia Lane be classified as a community building.

Yours sincerely



Jane Caldwell

Chief Executive - Age UK East London



Joycelyn Hayford

Operations Director - Black Women's Health and Family Support

16th January 2017

Sir Ken Knight
Chief Commissioner
London Borough of Tower Hamlets
Mulberry Place
5 Clove Crescent
London E14 2BG

CC: Mayor John Biggs, Cllr Saunders, Cllr Edgar, Cllr Pierce, Zena Cooke, Steve Hill, Ann Sutcliffe

Dear Commissioners,

We are writing in response to the most recent Commissioner Decision report, which states that “further monitoring of Mainstream Grants recipients has identified the following organisations as being in council buildings which are not classed as community buildings:

- Bethnal Green Weightlifting Club
- Black Womens Health and Family Support (Russia Lane)
- Age UK (Russia Lane)
- Pollyanna (Wapping TRA)
- Weavers Adventure Playground Association
- Tower Hamlets Community Transport (THCT)
- The Shadwell Community Project: Glamis Adventure Playground”

I have been in contact with representatives of all of these organisations over the past few days and whilst I know that some will also be contacting you directly, am writing to raise some concerns and points that are likely to affect them all.

Until recently the discussion around voluntary sector premises, particular in relation to Mainstream Grants, has focussed on the buildings on the community buildings List as presented to Cabinet on 1st Dec 2015. Last year's Community Buildings Review, conducted via open consultation and a range of discussion at our premises forum, provided the voluntary and community sector with the opportunity to comment on the rental arrangements for council buildings as well as on proposals for new community hubs. From the voluntary sector's perspective, although the list was discussed very little distinction was drawn between community buildings (those on the list) and other council owned premises; the key factor was the actual or potential usage of the buildings.

The proposals agreed at Cabinet in November 2016, which alongside the network of community hubs include provision for a community rent (effectively market rent for D1 usage) with a possible community benefit reduction of 80%, represent a significant development and strike a new tone for the way that the local authority relates to the

voluntary sector as a landlord. We are hopeful that the principles agreed set a precedent for all voluntary and community organisations in council premises, not just those on the community buildings list.

If the same requirements and benefits are to apply to all community organisations in council owned premises, then just as those MSG funded organisations in community building have been required to take on formalised occupancy arrangements, we anticipate that you will request that the above named organisations do the same.

In doing so, we ask you to understand that a number of the organisations named in the paper have made efforts to negotiate (or to renegotiate expired) leases and are willing to pay rent. We would therefore request that you:

1. Refrain from halting payment of MSG whilst arrangements are put in place. Ceasing grant payments in this context is unnecessarily punitive, especially where leases are not yet available to sign, and may affect organisations' ability to continue their MSG funded services to residents.
2. Agree that where community groups are to remain in existing accommodation that this occupation will be on the basis of a formal lease with a community rent. This is directly in line with what was agreed at Cabinet in November 2016; we believe it should apply to all council owned premises. We also ask that where community benefit can be proved and other arrangements are not in place the community benefit discount should apply.
3. Allow time for new arrangements to be agreed. The on-going conditions for the Mainstream Grant state that 'If the organisation become an occupant of premises owned by tower Hamlets Council, the organisation must enter into a formal agreement within 3 months in order to formalise occupancy arrangements or the awarded grant may be withheld or terminated'. We ask that the three month period apply in this case, since although the organisations have not moved premises they are being asked to take on new arrangements that will require negotiation, legal advice and budgeting.

We are keen to work with the council on the implementation of the new Community Buildings arrangements including leases and rents for council owned buildings, the application and implementation of the community benefit discount and the development of the community hubs programme. Thank you for considering our letter.

Sincerely,



Gemma Cossins,
Interim CEO

16th January 2017

Sir Ken Knight
Chief Commissioner
London Borough of Tower Hamlets
Mulberry Place
5 Clove Crescent
London E14 2BG

Dear Commissioners,

We are writing jointly following the cabinet meeting on the 1st November 2016 and the recent issuing of a lease to the Osmani Trust in order to request amendments to the lease that has been issued.

There are two main areas of concern we have in relation to the lease for the Osmani Centre, both of which also have implications for the wider voluntary and community sector. The first is the inclusion of a break clause on the council's side, enabling the council to give 12 months' notice on the lease at any time after the first year; and the second is the refusal to apply the community benefit rent reduction to any lease longer than 5 years.

Break clause

During the recent negotiations of the lease between the council and the Osmani Trust, a Break Clause was inserted at the last minute without discussion that allows the council to give 12 months' notice to the Osmani Trust, at any time after the first 12 months of the lease (from 17th August 2017 onwards):

Clause 44.1 "At any time after 1 August 2017 the Landlord may terminate this Lease by serving a Break Notice on the Tenant at least twelve months before the Break Date."

This clause only operates on the council's side and has the obvious effect of significantly reducing the security of tenure Osmani Trust have in the building.

The break clause was not included in the original lease approved by LBTH Cabinet in 2010 which the Osmani Trust agreed to (notwithstanding the negotiations regarding rental amount) before moving in to the building in 2011. This is despite the council agreeing to finalise the lease on the same basis as the lease that was proposed when the Trust moved in. The inclusion of a completely new break clause means that this lease is now significantly different to the lease and basis under which the Osmani Trust originally agreed to take on the management of the building, and under which they invested significant sums of their own capital into the building.

The Osmani Trust has not been given any indication of why this clause was added, nor under what circumstances the clause might be triggered.

The effect of this is that the Osmani Trust does not have the security of a 25 year lease on the Osmani Centre. In fact, they have very little security of tenure (12 months' notice can now be given at any time). This is likely to cause the Trust difficulties in obtaining funding, both for projects but also it will be particularly unlikely that they will be able to obtain any funding for any future capital investment in the property.

Furthermore, the clause provides a disincentive for the Trust to spend money on capital works. The organisation is unlikely to invest in a new roof, or a new boiler, for example, if they may be issued with notice to leave the building at any time.

In the normal course of a lease negotiation, the Osmani Trust would not have signed the lease on the Osmani Centre until this clause was removed. However the Trust was told that they would not receive their outstanding MSG funding payments until the lease was signed (although they were still expected to deliver MSG activities, and be monitored for them). The Trust were also informed that unless they signed the lease by the 24th August their entire MSG funding programme would be stopped and that the Council would commence recovery proceedings for the Osmani Centre. In the circumstances the Trust felt they had no choice but to sign the lease, despite being 'forced' to accept a new unfair clause that contradicts the objective of security that a long term lease is designed to provide.

We are therefore asking that this clause of the lease be removed in its entirety.

Community benefit

The second issue on which we are writing is relating to community benefit, and the exclusion of organisations with leases of longer than 3 - 5 years from the community benefit rent offset mechanism.

The cabinet paper excluded organisations with longer leases because:

- The value of the rent reduction would be likely to be substantial over the lease period and may therefore require the consent of the Secretary of State;
- The benefit of the longer lease will allow the organisation to generate income to cover the rental costs

The community benefit working group suggested that in order to avoid the possibility of the rent reduction being so great in value that permission would be needed from the Secretary of State, a compromise would be not to apply the community benefit reduction for the life of the lease, but for a period of 3 - 5 years, that could then be reviewed. This would also have the benefit that it is not asking the council to enter

into any long term financial agreement. Furthermore, based on the current yearly rental value even if community benefit reduction were to be applied for the remainder of the lease, the total value of reductions would not pass above the threshold after which permission is required from the Secretary of State.

The community benefit working group also recognised that whilst the longer leases does give an organisation some additional ability to lever in additional funds, this does not necessarily equal the significant additional costs organisations with longer leases have in being responsible for all external repairs and maintenance (in addition to internal repairs and maintenance responsibilities that organisations with shorter leases have).

We are therefore asking that organisations with longer leases be able to apply for the community benefit offset reduction, for a period of 3 - 5 years at a time, with a review at the end of that period.

We've also noted that the paper to cabinet has excluded organisations with leases shorter than 3 years from the community benefit rent reduction. It is unclear why they have been excluded and we would also ask that the rent offset be open to them.

Thank you for your time in considering our letter,

Yours sincerely,



Gemma Cossins
Interim CEO
THCVS



Shafiur Rahman
Executive Director
Osmani Trust



osmaniTRUST

Cc Mayor, John Biggs
Cllr Saunders
Cllr Edgar
Zena Cooke
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Ann Sutcliffe
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