

2. APOLOGIES FOR ABSENCE

There were no apologies for absence.

3. DECLARATIONS OF INTEREST

Councillor Marc Francis declared an interest in items 7.1, 7.2, 7.4 and 7.5 on the basis his wife is the Deputy Mayor with responsibility for these areas.

Councillor Marc Francis proposed a change in the running order of the agenda, with items 4, 5, 6.1, 7.3, 7.6 and 7.7 being taken first followed by the remaining items on the agenda.

Councillor Marc Francis left the meeting at the point when the above named items were to be discussed.

4. MINUTES OF THE PREVIOUS MEETING

The minutes from the previous meeting of 8th March 2018 were agreed as a correct and accurate record of the meeting.

5. CONSIDERATION OF PUBLIC SUBMISSIONS

The Sub-Committee noted that no public submissions had been submitted to the Committee Officer by the deadline.(5:00 p.m. the day before the meeting.)

6. SUB COMMITTEE REPORTS FOR CONSIDERATION

6.1 Terms of Reference, Quorum, Membership and Dates of Meetings

Farhana Zia, Senior Committee Officer stated the report set out the Grants Scrutiny Sub-committee's terms of reference, Quorum, Membership and Dates of meeting for the municipal year 2018/19

She stated the report was for information and noting.

Members of the Grant's Scrutiny Sub-Committee **NOTED**

1. The terms of reference, Quorum, Membership and Dates of meetings for the Municipal Year 2018/19 as set out in Appendices 1, 2 and 3 to this report and as stated in the Council's constitution.

7. GRANTS DETERMINATION SUB-COMMITTEE MEETING REPORTS FOR CONSIDERATION

7.1 Tower Hamlets Affordable Housing Grant Programme - Burdette Road (Mulberry Housing Society) (IO80309)

Jen Pepper, Affordable Housing Programme Manager presented this report stating that in February 2017, the Mayor in Cabinet had approved a £9M fund of retained Right to Buy receipts to be made available for Mulberry Housing Society in order to purchase affordable homes.

Ms Pepper informed Members that Cabinet had agreed to establish two housing delivery vehicles in order to expand the range of options available to the Council to deliver new supply across tenures, both permanent and temporary homes.

Mulberry Housing Society is a community benefit society to provide homes for sub-market rent, subsidised by grant of land and retained Right to Buy receipts, made possible by governance arrangements within which the Council holds a minority position.

Ms Pepper referred to 1.4 of the report and stated the request was to use S106 monies for the purchase of a development in Burdett Road, which comprises of 42 flats all at social target rents. The report recommends a grant of £2.3m in RTB receipts to facilitate this acquisition.

Members of the Sub-Committee made the following comments and asked questions in relation to the report:

- In reference to point 3.2 the Newfoundland Development is contributing to the S106?
- Who will manage the Mulberry Housing Society?
- Is the arrangement in place a Housing Delivery Vehicle?
- What is the completion date for the acquisition?
- What mechanisms are in place to ensure the desired outcome is achieved?

Members of the Sub-Committee **AGREED** to recommend to the Grant's Determination Sub-Committee to:

1. Authorise the Corporate Director Place to award Right to Buy receipt grant funding of £2.3m to Mulberry Housing Society; in addition, allow 10% uplift to the agreed amounts to take account of potential increases in acquisition costs.
2. Authorise the Corporate Director Place to enter into a grant agreement and make decisions relating to any associated matter to give effect to the delegation referred to in paragraph 1 above.
3. To note the Equalities Impact Assessment /specific equalities considerations as set out in Paragraph 4.

7.2 TH Affordable Housing Grant - continuous market engagement (George Green's Almshouses) (IO80235)

Tracey St Hill, Registered Providers Partnership and Development Officer, presented her report in relation to the Affordable Housing Grant Programme – George Green's Almshouses. Ms St Hill explained to members, Cabinet had agreed to set up a £7.06M fund of retained RTB receipts to be used for the period 2016 onwards. In January 2018 a further £5m of additional grant funding was agreed to allow for the acquisition and development of schemes that provide affordable housing.

Ms St Hill stated George Green's Almshouses were looking to purchase two properties from Poplar HARCA and sought a grant of £210K. She said the properties would be managed by Providence Row Housing Management, with the freehold being retained by Poplar HARCA.

Members of the Sub-Committee asked the following questions:

- Are the two units for purchase, ex-stock transfers?
- Do RTB receipts attract compounded interest if monies are to be returned to the government?

Members of the Sub-Committee **AGREED** to recommend to the Grant's Determination Sub-Committee to:

1. Authorise the Corporate Director Place to award Right to Buy grant funding for the amount listed in 1.7 of the report to George Green's Almshouses, together with a 10% uplift too take account of potential increases in build or acquisition costs.
2. Authorise the Corporate Director Place to enter into a grant agreement and make decisions relating to any associated matter to give effect to the delegation referred to in paragraph 1 above.

7.3 Event Fund Report Quarters 2 - 3, 2017-18 (IO79736)

Alison Denning, Events and Festivals Officer presented her report which reported on the number of applications taking place for Quarters 2 - 3 in 2017-18 and the Joe Cox / Big Lunch Great Get Together events.

She said the Event Fund is a small grant fund, for community arts events which has been operating successfully for a number of years. She explained the fund worked on a rolling programme operating to quarterly deadlines since the 1st April 2017.

Alison Denning referred members to point 3.5 of the report and the table showing the number of application received and the number awarded. She said applications were received for events in all 20 wards. She also made reference to the various appendices in particular the equalities analysis

appended at appendix E. She said the monitoring of applications was on-going and the collation of equalities data should be viewed as raw data.

Members of the Sub-Committee made the following comments and asked questions in relation to the report:

- In relation of Appendix B, can dates be provided as to when the events took place?
- **ACTION:** Alison Denning to circulate the dates as to when the events took place.
- In relation to Appendix E, how is the equalities data recorded?
- Does this report come to the sub-committee on a quarterly basis?
- The table on page 51 shows 11 applications were declined. What was the reason for refusal?
- Has there been an increase in the number of applications received since moving to quarterly deadlines?
- Page 64, refers to an event being cancelled due to the venue pulling out. How many events involve commercial enterprises and partners?

Members of the Sub-Committee **AGREED** to recommend the Grant's Determination Sub-Committee to:

1. **NOTE** the contents of the report.

7.4 Historic Buildings Grant - Oxford House

Sripriya Sudhakar, Place Shaping Team Leader presented her report in relation to the Historic Building Grant – Oxford House in Bethnal Green. She informed Members Oxford House was a Grade II Listed Building and is on the Historic England's Heritage Risk register. The grant sought is for £95,901.20 and forms part of the overall Heritage Lottery Fund (HLF) financed scheme called "*From Victoria 'Gap Year' to Community Hub: heritage and community at Oxford House.*"

Ms Sudhakar said the grant would contribute to the repairing of the roof with work to start in June 2018. The LBTH grant contributes to match funding for a larger HLF grant. Without the LBTH grant, the charity will have a shortfall of funds which could threaten the project.

Members of the Sub-Committee made the following comments and asked questions in relation to the report:

- What has led to the roof being in such a state of disrepair?
- Is the project still in target?
- What measures are in place to ensure the overall project will deliver the desired outcomes?

Members of the Sub-Committee **AGREED** to recommend the Grant's Determination Sub-Committee to:

1. Authorise the Corporate Director Place to issue a formal offer of grant to The Oxford House in Bethnal Green to a maximum value of £95,902.00 for repair works to the roof and high level windows.
2. Authorise the Corporate Director Place to enter into the grant agreement and any such other agreements required to affect the grant and the use of grant as detailed in paragraph 1.

7.5 SME Energy Reduction Grants Programme

Abdul Khan, Energy and Sustainability Manager introduced the report stating the SME Energy Reduction Programme were grants from S106 funds from the Carbon Fund to improve energy efficiency of premises. He said the aim was to reduce energy costs, consumption and related carbon emissions. There would be an open application process for SMEs to apply for funding that will include a window for applications to ensure SMEs across the Borough have an equal opportunity to apply.

Mr Khan informed members the budget for the programme was £220,000 and the grant available will be for 50% of the project costs up to a maximum of £5,000 which will ensure at least 40 SMEs are supported.

Members of the Sub-Committee made the following comments and asked questions in relation to the report:

- Is the S106 money ring-fenced specifically for this use?
- Have the SMEs been identified?
- The target is 40 however can more SMEs apply?
- What other projects have been supported via this funding?
- How do you prioritise which SME receives funding?
- Has an evaluation of the previous projects been undertaken and what do the statistics show?
- Are grants being offered borough wide?
- Are any quality checks in place?

Councillor Andrew Wood, who was not present for this item asked that his objection to the report be recorded as he did not agree with the project.

Members of the Sub-Committee **AGREED** to recommend to the Grants Determination Sub-Committee to:

1. Approve the grant funding of £220,000 to deliver the SME Energy Reduction Programme.
2. Authorise the Corporate Director Place to enter into grant agreements and make any associated decisions in order to distribute the funding.

7.6 MSG Quarterly Monitoring Update 2018-19 (IO80423)

Steve Hill, Head of Benefit Services presented his quarterly report on the Main Stream Grant (MSG) 2015/18 for Period 9, quarter October to December 2017.

He explained projects were classified as Green, Amber or Red within the Council's agreed performance management framework and presently there were 112 live projects. For the period of October to December 2017 there were 6 Red rated projects and 1 Amber rated project.

Mr Hill addressed each recommendation within the report, pages 8 -11, of the supplementary agenda explaining what was being requested.

David Freeman, Strategy Manager for the Voluntary and Community Sector explained the reason why some organisations required a rent subsidy to their MSG funding in order to bridge the gap whilst new leases and building contacts were agreed.

Mr Hill also gave an explanation on the variation requests made by the Osmani Trust and Bethnal Green Weightlifting Club – pages 13-14.

The Chair, Councillor Marc Francis invited members to comment upon the recommendations made within the report and for any questions that members had:

Recommendation 1: Teviot British Bangladeshi Association

- What was the reason why they asked for funding to be ceased?
- Can information be provided on the safeguarding issue raised?
- **ACTION:** Steve Hill to provide this information to Members.
- Can the timeframe for the operational matter not be extended so to resolve the issue rather than red rate the organisation?
- Page 21 states they have a grant of £6,000 of which £4,666 has been paid. So the variance is just £500.00?
- What is the reason that the Corporate Director will be making the decision on the release of payment?

Members of the Sub-Committee **AGREED** and **NOTED** the recommendation made to the Grants Determination Sub-Committee.

Recommendation 2 – Community of Refugees from Vietnam – East London

The recommendation no longer applied.

Recommendation 3 – Wadajir Somali Community Centre

- Two Thirds of the grant payment is pending for this organisation. Can a specific time be stated as to when the monitoring visit is to take place?

- **ACTION:** Steve Hill stated that this can be done for future reports to the sub-committee.
- When is the youth worker likely to return from Somalia?

Members of the Sub-Committee **AGREED** and **NOTED** the recommendation made to the Grants Determination Sub-Committee.

Recommendation 4 – Tower Hamlets Youth Sports Foundation

Councillor Andrew Wood provided the sub-committee members with an explanation on the background to the organisation and said that the issues experienced in terms of premises contracts was due to the Foundation operating from 30 different locations. Councillor Wood said it was a good organisation but was struggling at present.

- It is clear the issue is about the organisation's income and expenditure. 55 out of 57 schools were working with the organisation but schools are now not buying their sport packages due to funding cuts. The organisation has seen a reduction in staff. Can you clarify the number of full-time staff employed and if they are employees of the Council?
- How can an organisation which is performing at 'Green' suddenly go to 'Red' without an 'Amber' stage?
- What are the premises issues?
- Why hasn't the organisation taken up your offer to send monitoring officers to resolve the situation with missing monitoring returns?
- Can not the deadline for submitting the returns be extended if its viewed as a good organisation?
- How do you decide the rating has changed from Green to Red?
- How many members of staff are employed?

Members of the Sub-Committee **NOTED** the recommendation made to the Grants Determination Sub-Committee however did not feel payment should be withheld and more should be done to offer support to the organisation.

Recommendation 5 – Bethnal Green Weightlifting Club

Members of the Sub-Committee **AGREED** and **NOTED** the recommendation made to the Grants Determination Sub-Committee.

Recommendation 7 – Pollyanna Training Theatre

Members of the Sub-Committee **AGREED** and **NOTED** the recommendation made to the Grants Determination Sub-Committee.

Recommendation 8 – Family Action

Members of the Sub-Committee **AGREED** and **NOTED** the recommendation made to the Grants Determination Sub-Committee.

Recommendation 9 – Rent Subsidy to MSG funded organisations in Council Buildings

- Are the organisations in Table 1 the only organisations that require a subsidy? How has the list been devised?
- Is the subsidy equivalent to the rent paid?

Members of the Sub-Committee **AGREED** and **NOTED** the recommendation made to the Grants Determination Sub-Committee.

Recommendation 10 – Osmani Trust

Members of the Sub-Committee **AGREED** and **NOTED** the recommendation made to the Grants Determination Sub-Committee.

Recommendation 11 – Bethnal Green Weightlifting Club

Members of the Sub-Committee **AGREED** and **NOTED** the recommendation made to the Grants Determination Sub-Committee.

In summary, the Grants Scrutiny Sub-Committee **AGREED** and **NOTED** the recommendations made to the Grants Determination Sub-Committee to:

- i. Consider and agree the 9 recommendations relating to the releasing of MSG payments to the projects as set out in section 3.3, 3.5, 3.8, 3.10 and 3.11 of the report.
- ii. Consider and agree recommendation 10, as detailed in 3.23 for awarding rent subsidies to the organisations listed in Table 1 of this report. This would be from the completion of their new lease arrangements with the Council to the end of their MSG funding (30th September 2019)
- iii. Consider and agree recommendations 10 and 11 relating to significant Variation Requests to two projects as set out in 3.24 and 3.25 of the report.

Save for the observation made in relation to Recommendation 4.

7.7 MSG Extension Report (IO80425)

Steve Hill, Head of Benefit Services explained the report was seeking an urgent extension to the MSG fund for a further 6 months in order to facilitate a longer co-production process for Community Commissioning. He said more in-depth work was required to ensure services and organisations were geared up for the change as the programme moves from being Grants based to a procurement based regime.

Members of the sub-committee made the following comments and asked questions in relation to the report:

- This is the second extension sought to the programme. This committee will need to consider what its purpose and remit is sometime in the near future.
- Why is the extension just sought for 6 months?
- Will other organisations who do not have access to council funding including in the commissioning process?
- The MSG programme has been in place since 2015 and a review is required of the complete programme on a theme basis to see if the programme has delivered the desired outcomes
- **ACTION:** A 2-page summary of each organisation – all live 112 programmes can be provided to members.

Members of the Sub-Committee **AGREED** to recommend to the Grant's Determination Sub-Committee to:

- i. Agree that the current MSG programme be extended by six months to 30 September 2019 for those projects which receive grants and which are also performing satisfactorily.
- ii. Consider and agree the recommendations for the extension of individual MSG funded projects to 30th September 2019, as detailed in Appendix 1.
- iii. Consider and agree the recommendations for individual projects not to be extended as set out in Appendix 2.
- iv. Delegate to the Corporate Director for Resources the negotiation and signing of Grant Offer extension letters setting out the detailed targets and conditions for the extension period.
- v. Agree that a condition of the extension will be for projects to maintain satisfactory performance up to the end of the current three year MSG programme, which is 31st August 2018.

8. ANY OTHER BUSINESS THE CHAIR CONSIDERS TO BE URGENT

No other business was discussed at the meeting.

The meeting ended at 7.56 p.m.

Chair, Councillor Marc Francis
Grants Scrutiny Sub-Committee