


<p align="center">Grants Determination (Cabinet) Sub Committee 10th July 2017</p>	
<p>Report of: Zena Cooke, Corporate Director Resources</p>	<p>Classification: Unrestricted</p>
<p>Grant Support to Oxford House (Bethnal Green)</p>	

<p>Originating Officer(s)</p>	<p>Neville Murton (Divisional Director Finance, Procurement and Audit)</p>
<p>Wards affected</p>	<p>Bethnal Green</p>

Summary

Oxford House (OH) is a community arts and heritage which has put together a business plan to refurbish the premises it currently occupies in Bethnal Green. The building is a key community asset and the much needed refurbishment is necessary to ensure the security and safety of the asset, expand the range of services provided from it and increase its income generation potential so that it can operate in a self-sustainable way. The refurbishment project is estimated to cost £2.977m and £2.727m has been identified leaving a gap of £250k.

S106 resources have been identified as a funding source to allow the project to progress and the Infrastructure delivery Group considered and approved that sum on 28 June 2017. As the £250k is a grant this committee is required to consider and confirm their agreement to providing this resource.

Recommendations:

The Grants Determination (Cabinet) Sub Committee is recommended to:

1. Approve the granting of £250k as a contribution to Oxford House in support of their refurbishment project.

1. REASONS FOR THE DECISIONS

- 1.1. The Council's contribution is relatively in the context of the £2.9m scheme however it is an essential component to allow this to proceed. The majority of the resources have been provided by the Heritage Lottery Fund (HLF). The mayor has previously indicated the Council's support for the project publicly and in support of the HLF bid.

2. ALTERNATIVE OPTIONS

- 2.1. The committee could decide not to provide the grant.

3. DETAILS OF REPORT

- 3.1. Oxford House (OH) is a community arts and heritage which has put together a business plan to refurbish the premises it currently occupies in Bethnal Green. The building is a key community asset and the much needed refurbishment is necessary to ensure the security and safety of the asset, expand the range of services provided from it and increase its income generation potential so that it can operate in a self-sustainable way.
- 3.2. OH was established in 1884 and has played a significant part in supporting East End communities for over 130 years. OH is one of the original and best preserved sites of Victorian philanthropy in East London and the first site of the Settlement Movement. Some of the physical heritage, principally the 3rd floor chapel, is being damaged with water ingress as a result of the condition of the roof. Accessibility to and use of the chapel/third floor is restricted as highlighted in a recent accessibility audit.
- 3.3. The urgent need to address the condition of the roof and windows makes the business case for addressing the needs of the whole building in one phase compelling. The project will transform access to the whole building, raising the quality of spaces, and use the shared heritage of all communities to present a rich and vibrant offer to future visitors.
- 3.4. The refurbishment project is estimated to cost £2.977m and £2.727m has been identified leaving a gap of £250k.
- 3.5. £1.394m of the £2.727m identified will come from a Heritage Lottery Fund (HLF) Grant and the organisation has been successful in securing round 2 HLF grant; in order for HLF approval to proceed to implementation phase, the project must be fully funded. The Mayor has publicly indicated his support for the project; officers have been working with OH to agree a funding package that reflects the benefits to the Council and it is proposed that this support comprises a grant from relevant S106 resources together with a repayable loan.

- 3.6. The Council has committed to supporting the project through grant of £96k from the Historic Building Fund recognising the buildings status as a Grade II listed building which is currently on the Building at risk register.
- 3.7. A combination of additional grant together with a loan is being sought and in light of the community benefits the asset provides together with the contribution the organisation makes against a number of the Council's priorities an additional grant of £250k is being requested through the S106 route.
- 3.8. The 's mission is that 'Oxford House is where East London comes together to work, learn, explore and create. We celebrate arts, community and our heritage'.
- 3.9. OH achieves this by Four areas of work:
- Providing affordable office space to circa 30 organisations (70 staff and over 150 volunteers), charities and social businesses.
 - It also provides affordable meeting and events space and a programme of community classes and events.
 - OH provides a wide variety of leisure activities for sectors of the community. It operates a multipurpose arts centre that includes a theatre, gallery and dance studio where a programme of weekly activities including dance and health and fitness for all ages and abilities is provided, examples of leisure experiences currently available at OH are dancing activities for older people with dementia, child art activities focussing on the theme of identity, and exhibition to raise the profile of the British Vietnamese community; 2nd generation negotiating their dual values and cultures.
 - The provision of a range of volunteering/employability opportunities
- 3.10. Whilst the business operation has come a long way and has much improved the financial stability of the organisation it is now in need of further development to secure its future. This development will not only include essential repairs but will provide the basis for a significant improvement in income generation through the creation of a new café and the improvements to the letting space.
- 3.11. New heritage spaces will be publically accessible for the first time including a new café directly accessible to Weavers Fields and new spaces created for heritage interpretation (café; historic entrance/hallway/staircase & 3rd Floor Settlement Room and landing). These restored spaces will create new revenue streams and significantly increase visitor numbers.
- 3.12. The activity plan will enable OH to develop or create new community partnerships and increase visitors by offering opportunities to engage with non-traditional heritage audiences; for example, 15% of current visitors (2014 Visitor Survey) expressed interest in participating in heritage activities. The project also responds to a growing interest in heritage identified in feedback from current projects such as 'The Insider's Guide to Bethnal Green.'

- 3.13. OH plan to focus on achieving 4 key objectives:
- Refurbishing OH to create a wonderful mixed use space
 - Developing learning and engagement programmed inspired by heritage
- 3.14. Strengthening the community offer and accessibility through stronger partnerships
- Creating a sustainable and effective organisation
- 3.15. Refurbishment includes restoring, upgrading and enhancing the Grade II listed building. By 2019, new spaces will be opened up including the roof, chapel, café and outdoor pocket park that will be open to use by all residents and will contribute towards the sustainability of OH.
- 3.16. The refurbishment of OH and developing the heritage programme provides an opportunity to reach out to new partners, along with establishing an annual 'artist in residence programme' and re-establish a strong volunteering programme at OH.
- 3.17. OH is based in an area of high social deprivation. However, in considering the market opportunities the future is more important than the present. As the capital's economic and cultural heart grows outwards and eastwards, the city fringes are changing.
- 3.18. One of the aims of the project is to create an additional income stream through the development of a catering outlet capitalising on the proximity to the park and adding to the visibility of the building.
- 3.19. The market for the café will comprise:
- Users of the building, including tenants, those hiring space for meeting and events, event/workshop/class attendees and staff.
 - Those working and living in the area.
 - Visitors to the area.

Project Drivers

- 3.20. The project drivers are detailed above and contained within the OH HLF bid. However, in summary the key drivers are;
- To preserve and protect a community and heritage asset
 - To ensure health and safety risks in the building are managed/addressed
 - To expand the use of the site to increase community benefit from the asset, particularly to groups such as the growing somali community
 - To secure heritage lottery funding by ensuring the business case and additional/match funding requirement of the project is supported by the Council
 - The project is aligned to Council and mayoral priorities around supporting community groups and heritage assets. In particular,

aligned to strategic priorities around an improved local environment and engaged, resilient and cohesive communities. It represents an investment in a community building with the aim of improving community infrastructure.

Deliverables, Project Outcomes and Benefits

3.21. The Council's contribution will secure specific community benefits which are aligned to both Council and community priorities. Specific benefits will include;

- Public toilet facilities that will be directly accessible from the weavers field park/open space will make the open space more accessible
- The public café that will be directly accessible from the park will also increase and improve the attractiveness and use of the park
- The building will include meeting rooms and spaces that can be used by the Council at preferential rates to run ESOL and other community classes. The location is particularly attractive for this purpose as it is easily accessible to a large part of the community where a higher take up of ESOL classes is expected.
- The Charity will also deliver heritage and arts programmes jointly with the Council for local community benefit.
- There is also an opportunity to build on the relationship we have established with the Somali community since the 1980s. In recognition of this in 2013 OH was chosen as the site for Tower Hamlets Archives first exhibition examining Somali migration to Tower Hamlets. We will work with community partner, Kayd Somali Arts, to explore this relationship in a project where we will commission a contemporary Somali poet to work with the community, exploring the stories of OH, to produce a new performance piece – poem or story and an accompanying exhibition to be showcased during the Somali Week Festival.
- Oxford House will use the Inspiring Learning framework, which identifies generic learning outcomes and provides a base for assessing evidence of learning that can be used to improve approaches to evaluation, to frame the evaluation methodologies. An evaluation consultant will be appointed to develop these KPIs and provide support during the project.
- Focus will be on collecting information that is relevant and immediately useful, using methods that are appropriate for the site, the capacity and the visitors. The focus will be on collecting a discreet core set of quantitative and qualitative data relating to the key aims for the project. At the end of the project the HCPM will produce an evidenced-based evaluation report.
- Robust baseline data will be used to monitor progress and comprise

quantitative and qualitative measures. They will form part of regular monthly monitoring and include capital and revenue reporting with regular reforecasting, room income, unrestricted income, designated funds and fundraising.

- Softer and more interactive approaches will be used to assess participation and impact of training and skills development. Longitudinal on-line surveys (e.g. Survey Monkey) will continue to be used that enables the assessment of volunteers' skills development or confidence. Creative methods such as film, visual feedback and oral testimonials will be used to engage with diverse audiences and reduce barriers to participation. The board, staff, volunteers and contractors will receive regular updates using short films and KPIs.

3.22. The outcomes will be shared in a variety of approaches with a wider audience. This will include articles and short films for Oxford House e-newsletters, social media, heritage networks, professional and community bodies such as Locality, Tower Hamlets CVS and Volunteer Centre.

3.23. OH will manage this project through a directly appointed programme manager. The cost of this is built into their total programme cost calculations above. The Council will receive quarterly updates on progress on the same basis as those provided to the HLF.

4. COMMENTS OF THE CHIEF FINANCE OFFICER

Funding Sources

4.1. The total cost of the project is estimated at £2.977m. This will be funded through:

- £1.394m HLF Grant.
- £250k Bank Loan
- £328k Private Donations
- £210k Fundraising and Other contributions
- £95.9k Grant from LA
- £450k Loan from LA
- £250k S106 grant from LA

4.2. All funding sources are in place other than the s106 grant which has been approved by the Infrastructure Delivery Group on 28 June 2017 but is subject to the approval of the Grants Sub-Committee.

5. LEGAL COMMENTS

5.1 The Council has power to make the grants under section 1 of the Localism Act 2011 which gives the Council the general power of competence. This means that the Council has the power to do anything which an ordinary human being could do, unless statute specifically restricts the Council from

acting in the way it wishes. It appears that there is no specific legislation prohibiting the making of the grant itself.

- 5.2 However, the Council must satisfy itself that the giving of any such grant would not constitute State Aid for the purposes of European Law. Whilst the grant itself has some of the hallmarks of state aid and it is notable that the Charity may make rooms available on some sort of commercial basis it is unlikely that:
 - 5.2.1 an organisation resident in another member state would be interested in providing services in the UK of a type similar to that which the Charity will carry out and
 - 5.2.2 the Charity will be given an advantage by the grant when competing for services advertised in another member state given the nature of the Charity itself (in that it is not operating in a commercial context) and the nature of the provided services
- 5.3 This means that it is unlikely that there is any “cross border interest” in the giving of the grant and therefore would not constitute state aid for the purposes of European Law.
- 5.5. The Council has a duty to achieve Best Value in respect of its expenditures. This is by virtue of Section 3 of the Local Government Act 1999. The Council must satisfy itself that the giving of any grant represents Best Value. This means that it will have to ensure that any grant is made under terms that enable the proper monitoring of outcomes to demonstrate that the money achieves the intended results.
- 5.6. To this end the Council should also ensure that it has proper resourcing in place to ensure that the progress of the grant agreement is also monitored. The terms of the agreement should support this task by allowing the clawing back of unspent funding or where particular objectives are not met.
- 5.7. The Council must also ensure that the payment of the grant does not include for any pecuniary interest for the Charity as this would mean the arrangement would fail to be a grant and as a Services contract would attract the Public Contracts Regulations procurement regime.
- 5.8. The Council must also ensure that it fully understands the impact on persons with a protected characteristic for the purposes of the Equality Act 2010. It may therefore need to undertake desktop evaluations and where appropriate carry out equality consultations also. The obligation on the Council to comply with its Equality Duty should also be reflected in the grants terms

6. ONE TOWER HAMLETS CONSIDERATIONS

- 6.1. The contribution of VCS Organisations helping to deliver One Tower Hamlets objectives and priorities are explicitly recognised and articulated within the Council's agreed Voluntary and Community Sector Strategy.

- 6.2 VCS Organisations, which includes Oxford House, play a key role in delivering services that address inequality, improve cohesion and increase community leadership. These services are real examples of 'One Tower Hamlets' in practice.

7. BEST VALUE (BV) IMPLICATIONS

- 7.1 The level of awards to voluntary organisations is determined by the quality of their individual applications as well as the overall demand for the funds available.
- 7.2 Given that this scheme has attracted funding from other sources, it has had to demonstrate value for money in a number of different arenas.
- 7.5 There will be ongoing performance management of the approved project to ensure that it delivers its outcomes and meets the required standards.
- 7.6 Monitoring and reporting arrangements are in place to ensure that there is effective performance monitoring against the agreed outcomes.

8. SUSTAINABLE ACTION FOR A GREENER ENVIRONMENT

- 8.1. In line with other beneficiaries of grants from the Council, Oxford House will be encouraged to consider taking appropriate steps to minimise negative impact on the environment when taking up the opportunities offered within the programme and on an ongoing basis

9. RISK MANAGEMENT IMPLICATIONS

- 9.1. OH have identified a number of project risks which have been included as part of their Stage 2 HLF submission. In summary the report identifies the followings risks.
- Approved purposes cannot be met within the budget
 - Client aspirations exceed budget.
 - Inability to achieve funding target before project commencement.
 - Cash flow requires significant liquidity
 - Insufficient survey and exploratory works undertaken during development phase
 - Insolvency of OH
- 9.2. In addition to the above, failure to secure the s106 funding from the Council will jeopardise the HLF funding bid and the viability of the project, as a condition of the grant is that the project is fully funded.

10. CRIME AND DISORDER REDUCTION IMPLICATIONS

- 10.1 The activities, services and outcomes that are being proposed by Oxford House support the objectives of reducing crime and disorder; this is particularly true of the projects delivering under the Community Engagement Cohesion and Resilience Theme.

Linked Reports, Appendices and Background Documents

Linked Report

- NONE.

Appendices

- OH Heritage Lottery Fund (HLF) round 2 bid submission.

Local Government Act, 1972 Section 100D (As amended)

List of “Background Papers” used in the preparation of this report

List any background documents not already in the public domain including officer contact information.

- These must be sent to Democratic Services with the report
- State NONE if none.

Officer contact details for documents:

- Neville Murton