

<p style="text-align: center;"><b>Grants Determinations Sub Committee</b></p> <p style="text-align: center;">Tuesday, 6<sup>th</sup> February 2018</p>	
<p><b>Report of:</b> Zena Cooke, Corporate Director Resources</p>	<p><b>Classification:</b> Unrestricted</p>
<p><b>Grant Support to Toynbee Hall</b></p>	

<b>Originating Officer(s)</b>	Neville Murton
<b>Wards affected</b>	Whitechapel
<b>Key Decision</b>	Yes
<b>Community Plan Theme</b>	<b>A great place to live</b>

### **Executive Summary**

Over the next two years Toynbee Hall will be undertaking significant regeneration of its East End site. The organisation has been on the same site since it was founded in 1884 and much has changed in that time but the buildings and sense of place have continued to be a valuable resource for the organisation and for the community. The plans that they have for their site is to conserve the historic halls, transform Mallon Gardens into an accessible public space and build a new building in place of Profumo House. The new building will consist of a Centre for Advice, a Centre for Wellbeing and four floors of commercial office space to bring in a sustainable source of unrestricted funding that will support the activities of the charity.

The total cost of the redevelopment project is £16.7m. They have secured funding from a variety of sources that amounts to £16.4m leaving a gap of £305,000.

S106 resources have been identified as a funding source for the project and Cabinet approved the sum at its meeting on 19th December 2017. As the £305,000 is a grant, this committee is recommended to consider and agree the release of this amount.

### **Recommendations:**

The Grants Determination Sub Committee is recommended to :

1. Approve the granting of £305,000 as a contribution to Toynbee Hall in support of their refurbishment project.

## **1. REASONS FOR THE DECISIONS**

- 1.1 The Council's contribution is relatively small in the context of the overall £16.7m scheme however it is an essential component to allow the project to deliver its outcomes and for the residents of Tower Hamlets to continue to benefit from the services.

## **2. ALTERNATIVE OPTIONS**

- 2.1 The Committee could decide not to provide the grant or vary the recommended level of grant funding

## **3. DETAILS OF REPORT**

- 3.1 As an organisation Toynbee Hall has been a core part of the community for over 130 years working to provide free advice and support and working to tackle social injustice. They have seen an increase in demand for their services. They indicate that on an annual basis they supported over 3,000 residents of Tower Hamlets through their debt and legal advice service, assisting them to handle crisis situation. The Centre for Wellbeing that is part of the estate supporting 750 local older people to live healthily and independently which reduces the need for medical and other services.
- 3.2 Over the next two years Toynbee Hall will be undertaking a significant regeneration of its East End site. The organisation has been on the same site since it was founded in 1884 and much has changed in that time but the buildings and sense of place have continued to be a valuable resource for the organisation and for the community. The plans that they have for their site is to conserve the historic halls, transform Mallon Gardens into an accessible public space and build a new building in place of Profumo House. The new building will consist of a Centre for Advice, a Centre for Wellbeing and four floors of commercial office space to bring in a sustainable source of unrestricted funding that will support the activities of the charity.
- 3.3 The redevelopment of Toynbee Hall's estate was an essential investment; the buildings are in a state of disrepair and no longer fit for delivering quality services. They suffer from a shortage of suitable space to meet rising demand, with upstairs spaces in the Victorian building beyond use entirely.
- 3.4 The total cost of the redevelopment project is £16.7m. They have secured funding from a variety of sources that amounts to £16.4m which has left a funding gap of £305,000.
- 3.5 The overall aims for the project are:
- To preserve a community and heritage asset;
  - To enable the organisation to increase its capacity and space to meet the growing need for its services;

- To have community space available for the residents of the borough to support healthy living, reduce call on medical services and promote independent living;
- To have commercial office space that will secure income to support the charity's objectives; and
- To transform Mallon Gardens into a cohesive, accessible public space.

3.6 This project is aligned to the Council and Mayoral priorities around supporting community groups, heritage assets and community buildings. The services that are delivered are closely aligned with the Mayoral priority to tackle poverty.

3.7 Toynbee Hall delivers many Council commissioned projects. The Council currently gives an annual grant of £14,000 to run a Lunch Club and activities for local older people. This makes up 11% of the expenditure for this work. The remaining 89% is made up through Toynbee Hall's own fundraising and subsidising from its unrestricted expenditure. A peer led research project into older people's needs is currently being undertaken on the basis of a contribution by Tower Hamlets with the bulk of funding made up from Toynbee Hall's own funds.

3.8 Toynbee Hall has historically delivered many services on this basis, including one on one support following benefits reform and Financial Inclusion in Tower Hamlets programme. An investment in this project from Tower Hamlets will ensure that they are able to continue to deliver projects commissioned by or valuable to the Council at a substantially lower rate than we would pay if they were commissioned from a private provider.

3.9 Toynbee Hall's activities also include activities that aim to avoid calls on support services these include:

- Over 100 falls screening assessments undertaken with local older people every year, reducing the need for emergency services due to falls
- Programme of activities allowing older people to maintain their independence including practical support with paperwork and benefits, volunteer outreach to support with shopping, and peer support networks offer savings in hospital beds
- Problem debt has a considerable social cost: StepChange projects problem debt costs society £8.3 billion across the UK, made up of costs associated with mental and physical health, increased 'desperation' crime, relationship breakdown, small business closure, eviction, job loss and lost productivity
- In 2016-17 711 cancer patients were helped to claim over £2m in benefits

to help them combat the financial impact of cancer, around 15% of which were local residents.

- 3.10 The project overall will include the development of the following buildings which will facilitate services to residents of the borough.

### **The Centre for Advice**

*Basement floor: 224sqm consisting of large waiting area with IT facilities; staff duty base; an Initial Assessment area; 8 confidential interviewing spaces; 2 meeting rooms; group work space; DDA standard toilet facilities; secure confidential storage space*

The Centre for Advice will be a place for service users to receive high quality face-to-face and phone support from the organisation's staff and volunteers. It will act as the home of the Free Legal Advice Centre, MacMillan Cancer Support and advice services in debt, social security, housing and employment issues, as well as programmes allowing communities to drive change, such as the financial inclusion programme which places trained "money mentors" at the heart of disadvantaged communities. The most common advice issues that they deal with are debt, welfare benefits, housing, employment and family.

In 2016-17 the organisation saw over 850 Tower Hamlets residents experiencing or at risk of financial exclusion and debt receive free debt advice from the organisation on recurring debt issues included council tax, rent arrears, benefit overpayments and credit cards. At least 400 Tower Hamlets residents unable to afford legal help used the free legal advice service to understand and resolve their legal issues.

### **The Centre for Wellbeing**

*Ground floor; 227sqm consisting of a communal lounge and fully fitted kitchen, a quiet room with treatment couch, 2 x activity rooms with movable furniture and ample storage and toilets including an accessible toilet; retractable partitioning*

The Centre for Wellbeing will provide care, facilities and services for older people (65+) to combat isolation and increase resilience, allowing older people to live independently for longer. Over 750 older people improve their physical and mental health with these services every year. Its programme will include a Lunch Club, fitness classes, health awareness workshops and visits from health professionals as well as social activities, intergenerational events and workshops skills. The services are fully

integrated with local health provision with regular referrals from the Reablement Team and local GPs. The service is co-produced with its beneficiaries and overseen by a service user board; decisions such as opening at weekends due to lack of local provision have been made on the basis of users' decisions.

### **Additional benefits, investment in the borough and the organisation's future**

The sale of two of Toynbee Hall's buildings will allow for a 49 apartment residential scheme including 35% affordable housing in line with LBTH policy, allowing for 13 new units for families to be available in the borough at reasonable prices.

Toynbee Hall's income brings in over £4.5m a year in government contracts, £1m a year from donations and legacies and £250,000 from estates and trading income. Of this, they receive £64,000 a year from the London Borough of Tower Hamlets as part of the Debt and Money Advice Partnership and lunch club activities with older people. In addition they have also been granted £600,000 a year since 2014 to act as lead partner for the borough-wide LinkAge Plus service.

Over the coming years, Toynbee Hall hope to ensure their sustainability as an organisation by strengthening their ability to bring in income independent of local authority funding. The redevelopment work will be a key investment; Toynbee Hall's successful venue hire business will have improved facilities and spaces to grow audiences and income and Profumo House will have four floors to generate commercial rental income. This will maximise the potential to bring in unrestricted income to give the organisation financial freedom to develop new services that tackle local issues before they get to crisis point. 4-16 commercial businesses will be hosted onsite, bringing new business opportunities to the borough.

After five years of operation, they are projecting that the total incoming revenue will be £300,000 per annum.

### **3.11 Other Funding Sources**

The total cost of the project is £16,754,300. Toynbee Hall has already raised substantial funding for this project which is set out in the table below.

<b>Funding source</b>	<b>Value £</b>
Sale of the lease of Attlee House, College East and Sunley House by Toynbee Hall to London Square Developments Limited	10,124,300
Loan from Charities Aid Foundation	2,500,000
Heritage Lottery Fund	1,731,300
Big Lottery Fund	445,000
Garfield Weston Foundation	250,000
Coutts Foundation	175,000
Tudor Trust	100,000
Viridor Credits Environmental Company	98,700
London Marathon Charitable Trust	76,700
Fidelity UK Foundation	69,000
Wolfson Foundation	40,000
Other trusts and foundations	117,000
Social financing	159,800
Toynbee Hall's own funds	450,000
Major donors	112,500
<b>TOTAL RAISED</b>	<b>16,449,300</b>

- 3.12 Toynbee Hall is directly managing the project themselves with appointed professional advisors. The costs of these have been factored into their financial model for this programme.

#### **4. COMMENTS OF THE CHIEF FINANCE OFFICER**

- 4.1 The £305k grant will be funded through S106 resources identified and approved through the Council's S106 approval process.

#### **5. LEGAL COMMENTS**

- 5.1 This report relates to a recommendation to approve a grant in the sum of £305,000.00 to Toynbee Hall as a contribution to its refurbishment project.
- 5.2 There is no strict legal definition of grant and it is essentially a gift in nature. Given that the Council is not under a statutory duty to provide the grant to Toynbee Hall and has discretion to approve or otherwise, it should be considered as a grant. Connected to this analysis, is whether the grant may amount to state aid for the purposes of the Treaty on the Functioning of European Union (TFEU). The TFEU prohibits local authorities assisting organisations on a selective basis through its resources where as a result, such organisations may be favoured, competition is distorted and trade between Member States of the EU is affected. However, in the event those

criteria may be applicable, the TFEU block exempts certain activities or transactions under Commission Regulation EU No. 651 / 2014. In this respect, the Council's grant to Toynbee Hall will unlikely constitute state aid given that it arguably falls within Article 17 of the TFEU which relates to aid to SMEs and therefore exempted from requiring approval from the Commission. It should be noted however that information to the Commission must be provided within 20 working days of the grant being awarded to Toynbee Hall.

- 5.3 The Council has the power under section 1 of the Localism Act 2011 to "do anything that individuals generally may do", "for, or otherwise than for, the benefit of the authority, its area or persons resident or present in its area". This power is referred to as the 'general power of competence' and the grant to Toynbee Hall may be sanctioned by the Council through this basis.
- 5.4 The Council has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness which is referred to as the 'Best Value' duty. It is noted at paragraphs 7.3 and 7.4 that Toynbee Hall, in light of its other various funding streams, is subject to performance management and monitoring in order to ensure objectives are satisfied. For the purposes of its own records and audit, the Council should require reports against deliverables and objectives from Toynbee Hall in order to demonstrate and discharge its Best Value duties.
- 5.5 When making grants decisions, the Council must have due regard to the need to eliminate unlawful conduct under the Equality Act 2010, the need to advance equality of opportunity and the need to foster good relations between persons who share a protected characteristic and those who do not (the public sector equality duty - PSED). A proportionate level of equality analysis is required to discharge the PSED.

## **6. ONE TOWER HAMLETS CONSIDERATIONS**

- 6.1 The contribution of Voluntary and Community Sector Organisations helping to deliver One Tower Hamlets objectives and priorities are explicitly recognised and articulated within the Council's agreed VCS Strategy.
- 6.2 VCS Organisations, which includes Toynbee Hall, play a key role in delivering services that address inequality, improve cohesion and increase community leadership. These are real examples of One Tower Hamlets in practice.

## **7. BEST VALUE (BV) IMPLICATIONS**

- 7.1 The level of award 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 a number of other sources, it has had to demonstrate value for money in a number of arenas.
- 7.3 There will be ongoing performance management of the approved project to ensure that it delivers its outcomes and meets the required standards.
- 7.4 Monitoring and reporting arrangements are in place to ensure that there is effective performance monitoring against the agreed objectives.

## **8. SUSTAINABLE ACTION FOR A GREENER ENVIRONMENT**

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

## **9. RISK MANAGEMENT IMPLICATIONS**

- 9.1 Toynbee Hall has identified the risks associated with the overall refurbishment programme and are actively managing them as part of their project management.
- 9.2 During the refurbishment programme, alternative accommodation is being used to deliver the services which they offer so the risk of non-delivery has been mitigated.

## **10. CRIME AND DISORDER REDUCTION IMPLICATIONS**

- 10.1 The activities, services and outcomes that are delivered by Toynbee Hall support the objectives of reducing crime and disorder through the delivery of projects under the Community Engagement Cohesion and Resilience Theme.

## **11. SAFEGUARDING IMPLICATIONS**

- 11.1 Toynbee Hall actively promotes engagement with excluded individuals and community development within the area.

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## **Linked Reports, Appendices and Background Documents**

### **Linked Report**

- None

### **Appendices**

- None

### **Background Documents – Local Authorities (Executive Arrangements)(Access to Information)(England) Regulations 2012**



- None

**Officer contact details for documents:**  
Neville Murton