

<b>Grants Determination Sub Committee</b> 6th February 2018	
<b>Report of:</b> Zena Cooke, Corporate Director Resources	Unrestricted
<b>MSG Project Performance Report – Period 8 (July to Sept 2017)</b>	

<b>Originating Officer(s)</b>	Steve Hill - Head of Benefits Services
<b>Wards affected</b>	All wards
<b>Key Decision?</b>	Yes
<b>Community Plan Theme</b>	All

## **EXECUTIVE SUMMARY**

The Main Stream Grant (MSG) 2015/18 Programme was approved by the Commissioners on 29 July 2015 and runs from 1 September 2015 through to 31 August 2018. At the 12<sup>th</sup> September 2017 Grants Determination Sub-Committee the programme was extended to 31<sup>st</sup> March 2019.

The Programme is made up of five (5) broad Themes covering a range of activities and services. Projects within one of these themes, Community Engagement Cohesion and Resilience, concluded at the end of March 2017. The activities and services are being delivered by a portfolio of projects each of which has targeted outcomes to achieve during the course of the programme period.

Projects are classified as Green, Amber or Red within the Council's agreed performance management framework. This report covers Red and Amber rated projects only. Red or Amber performance ratings may be as a consequence of premises issues, debtor issues, performance issues, failure to submit the quarterly monitoring returns or a combination of these factors.

Project performance for this period (July to September 2017) presently shows there are 7 Red rated projects and 0 Amber rated projects.

This report details those issues and provides recommendations for the Committee to consider

## **RECOMMENDATIONS**

The Grants Determination Sub Committee are recommended 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 and sections 3.8 to 3.15 of the report

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

- 1.1 Regular performance updates ensure that the MSG Themes and individual projects are on track to achieve the targeted outcomes.
- 1.2 Any issues that raise concerns can be addressed and appropriate remedial actions agreed. Where necessary, this could include the reduction, withdrawal or reallocation of funds to ensure that the overall Programme is making the most effective use of resources and maximising the potential achievement of agreed aims and objectives.
- 1.3 To consider the funding for MSG recipients in line with the July 2015 Commissioners' decision regarding MSG recipients in Council buildings having appropriate property agreements in place.

## **2. ALTERNATIVE OPTIONS**

- 2.1 Information relating to various aspects of project and monitoring activity is contained within the report to provide Grants Determination Sub Committee with an overall understanding of how projects and organisations have performed against the key elements of their Grant Agreements.
- 2.2 Grants Determination Sub Committee could request further information or alter the recommendations.

## **3. DETAILS OF REPORT**

### **Introduction**

- 3.1 The MSG Programme currently has 112 live projects.
- 3.2 Performance ratings for the live projects throughout the July to September period have been affected by the premises related issues and by monitoring returns not being submitted. The deadline for returns to be received was 16<sup>th</sup> October 2017, 10 working days after the quarter end.

The Mainstream Grants Spotlight Review Panel took place to review Red and Amber performance rated projects on the 8<sup>th</sup> December 2017. Updates have been included below together with a theme by theme summary for Red and Amber projects.

### **3.3 Theme 1 Summary - Children and young people**

The work of the theme focuses primarily on delivering activities and services aimed at children and young people.

There are 55 live projects within this theme of which 5 are rated Red and 0 are rated Amber.

The Red rated projects are:

- **Our Base LTD - One Stop Youth Service** – Premises issues are still on-going. The organisation is green rated for performance but red rated for premises.
- **Pollyanna Training Theatre – Musical theatre and Performance Arts Course** – Premises issues are ongoing. There were performance issues but a significant variation was considered for approval by the Mainstream Grants Spotlight Review Panel on the 8<sup>th</sup> December 2017. This has been included later in this report for approval by the GDSC – if agreed the organisation will be rated green for performance and red for premises.
- **Tower Hamlets Youth Sports Foundation – Hub Club Programme** – This project continues to demonstrate satisfactory performance ratings against outputs and outcomes in the offer letter. The last monitoring visit, 28 September 2017, evidenced achievements and confirmed ongoing conditions continue to be met. Premises agreements do not have all the required information so the Oct-Dec 17 advance payment withheld in line with the Corporate Director Resources delegated decision. The organisation is therefore green rated for performance but red rated for premises.
- **Tower Hamlets Youth Sports Foundation – Stepping Stones Programme** - This project continues to demonstrate satisfactory performance ratings against outputs and outcomes in the offer letter. The last monitoring visit, 28 September 2017, evidenced achievements and confirmed ongoing conditions continue to be met. Premises agreements do not have all the required information so the Oct-Dec 17 advance payment withheld in line with the Corporate Director Resources delegated decision. The organisation is therefore green rated for performance but red rated for premises.
- **Culloden Bangladeshi Parents Association – Culloden Bengali Mother Tongue Programme** - The last monitoring visit took place on the 27 September 2017. Assessment of the quarterly return has highlighted issues particularly around finances that will need to be resolved before payment can be made.

**Recommendation 1 - Culloden Bangladeshi Parents Association**  
**That payment be suspended to the Culloden Bangladeshi Parents Association until financial concerns regarding spend are resolved by the organisation. Once resolved, that the Corporate Director, Resources in consultation with the Executive Mayor, be given delegated authority to release payment for this period - subject to satisfactory performance.**

### 3.4 **Theme 2 Summary – Routeways to employment & Welfare Advice Services**

The theme is split into two distinct areas of focus; the first being employability skills training which is formally referred to as Routeways to Employment. The other area focuses on delivering a range of social welfare advice services.

There are 20 projects with 0 rated Red and 0 rated Amber.

### 3.5 Theme 3 Summary – Health and Wellbeing

This theme is entitled prevention, health and wellbeing and is intended to achieve a range of targeted outcomes with a primary focus on what were traditionally referred to as adult services.

This theme is made up of 34 live projects, of which 2 are rated Red and 0 are rated Amber.

The Red rated projects all have premises related issues. Online monitoring returns have also not been submitted by any of the three organisations.

The Red rated projects are:

- **Bethnal Green Weightlifting Club** – Bethnal Green Weightlifting Club have ongoing premises issues. Period 7 and 8 monitoring reports have been submitted. A monitoring visit was undertaken on 14 November 2017. There are actions which came out of that meeting which need to be met before releasing any payments including further examination of under performance against several outputs. A formal action plan may be required with further support to the organisation – this may lead to a significant variation. The project is currently red rated for performance and premises issues.
- **Tower Hamlets Youth Sports Foundation** – *Active Families* – Period 7 and 8 monitoring returns have been submitted. The project has met the quarterly targets although a monitoring visit still needs to be undertaken - awaiting monitoring visit date from organisation. Premises issues have not been resolved; the Council is yet to receive premises hire booking forms (outreach sites) for this project.

### 3.6 Theme 4 Summary – Third Sector Organisational Development

Theme four consists of 3 projects. No projects within this theme have been rated Red or Amber for this reporting period.

One of the projects covers a key “strategic partner” role to the Council and is undertaken by Tower Hamlets Council for Voluntary Services. The other two consortium projects provide organisational development and capacity building support to local voluntary and community sector organisations.

### 3.7 Theme 5 Summary – Community Engagement, Cohesion and Resilience

This theme focused on community engagement, cohesion and resilience. Projects worked closely with local residents to facilitate the building of a stronger, more cohesive, supportive and stronger community.

The theme was made up of 10 projects which concluded at the end of March 2017. A closure report detailing the outcomes of this theme was considered by the Grants Determination (Cabinet) Sub-Committee at their meeting on the 12<sup>th</sup> September 2017.

## Premises Issues

Monitoring of Mainstream Grants recipients identified the following organisations based in council buildings did not have an appropriate property agreement in place. Background and the current status are detailed for each of these organisations.

### 3.8 Our Base

The organisation signed Heads of Terms on the 7<sup>th</sup> June 2017 however there is now an issue over the lease terms –. The organisation’s solicitors have raised various concerns with the content of the draft lease and are currently liaising with the Council’s Legal Services. The Council is currently undertaking due-diligence checks on aspects such as the usage of the premises at London Metropolitan University and is exploring whether a license might be more appropriate than a lease. Our Base has also been requested to submit a copy of their premises agreement in respect of Royal Mint Place.

#### **Recommendation 2 – Our Base**

**The Council to explore whether a license for the use of the premises will be more appropriate than a lease. That the outstanding lease/premises issues be resolved before funds can be released to Our Base.**

### 3.9 Pollyanna Training Theatre (Wapping TRA/Raine Street)

The Council now has possession of the ground floor of the premises and Heads of Terms have been sent to the organisation on the basis of a license. Advice from legal services has been to grant a short lease to the organisation. The organisation has shown a willingness to enter into this agreement.

A significant variation request was recommended for approval by the LBTH Grant Spotlight Review Panel meeting on 8<sup>th</sup> December 2017. The Panel comprises LBTH Third Sector Team and THCVS representative.

#### **Recommendation 3 – Pollyanna Training Theatre**

**That in recognition of Pollyanna Training Theatre’s willingness to enter into a property agreement with the Council, payment be released to the organisation subject to satisfactory performance.**

### 3.10 Tower Hamlets Youth Sports Foundation (use of various Schools)

Further to the concerns raised by the organisation in completing the Premises hire booking agreements, as they work from around 30 different venues across the borough, further time was given to the organisation to gather the agreements.

Two of the three projects (Hub Club Programme and Stepping Stones Programme) delivered by the organisation are green rated for performance but red rated for premises on the basis that the premises agreements do not have all the required information. The third project (*Active Families*) is currently rated red for performance, as a monitoring visit is still pending. In addition, no

premises booking forms have been received for this project so they are also red rated for premises.

**Recommendation 4 – Tower Hamlets Youth Sports Foundation**

**That in acknowledgment that booking forms have been submitted for the Hub Club Programme and Stepping Stones Programme, payment be released subject to satisfactory performance. That payment continues to be suspended for the Active Families project until premises and performance related issues are resolved.**

3.11 Family Action

The old license for 2014-2017 was completed on the 7<sup>th</sup> June 2017; this included £15,300 in rent which has now been paid by the organisation. A new licence is currently being completed with the organisation showing a clear willingness to enter into an appropriate agreement. The new agreement is yet to be completed.

**Recommendation 5 - Family Action**

**That in acknowledgement of Family Action completing their old license, including payment of rent and considering their willingness to enter into an appropriate property agreement, MSG payments be released for this period subject to satisfactory performance.**

3.12 Wadajir

Although the organisation returned their premises hire booking agreement, further analysis has identified that the Trustees are not permitted to share the premises.

It is proposed to leave Wadajir in the Teviot Community Hall at present although this will not be a permanent solution. Approval has now been received to send out Heads of Terms for a lease to the Teviot Community Hall.

**Recommendation 6 – Wadajir**

**That whilst negotiations take place between the Trustees of the Teviot Community Hall and the Council, MSG payments to Wadajir continue subject to satisfactory performance.**

3.13 **Community Building Review – extended scope**

The Grants Determination Sub-Committee agreed at their meeting on the 10 July 2017 that the process and criteria for reduced rent, agreed by Cabinet on 1 November 2016, be extended to apply to all Council buildings and reviewed to ensure they are appropriate in the context of the wider review of council support to the VCS.

A number of MSG organisations with premises related issues are in scope for this review, these are detailed below:

- Bethnal Green Weightlifting Club (229 Bethnal Green Road)
- Black Women’s Health and Family Support (82 Russia Lane)

- Age UK East London (82 Russia Lane)
- Tower Hamlets Community Transport

**Recommendation 7 - That payment be paid to the Bethnal Green Weightlifting Club, Black Women's Health and Family Support, Age UK and Tower hamlets Community Transport whilst the review is concluded, subject to satisfactory performance.**

### 3.14 Significant Variation Request – Pollyanna Training Theatre

The Grant Offer Letter for the project had an initial estimate, as distinct from a requirement, that 53% of the project's beneficiaries over three years would be from BAME communities. 25% of the beneficiaries on the project in Period 7 (April to June 2017) were from BAME communities. Pollyanna has made efforts from spring 2017 to contact black, Asian and minority ethnic (BAME) organisations in Tower Hamlets with a successful track record of engaging BAME children and young people to help it to improve its recruitment of BAME beneficiaries. It is also undertaking outreach work with schools to attract more BAME beneficiaries. This additional work was on the request of LBTH. As a result of this the organisation has requested that we vary their targets from 53% to 33% going forward.

Match funding was mistakenly not included in Grant Offer Letter for the project. There was some miscommunication within the Third Sector Team in relation to this project about whether match funding was essential for the final budget. The Grant Officer with responsibilities for this project was subsequently informed in June 2017, when producing significant variation request pro-forma, that 15% match funding was required for all MSG-funded projects. The proposed match funding budget for the project of £5,060 would lead to an overall project budget of £33,059. The match funding budget would be 15.3% of total revised budget. The Inclusion of a match funding budget would:

- show Pollyanna's financial contribution to the project and the project's full value
- demonstrates how MSG funding can secure reciprocal resources from a funded organisation
- ensure that the project's funding basis is similar to other MSG-funded projects with a minimum match funding budget of 15% of total project budget.

Pollyanna has under-performed in recruiting new beneficiaries over the project's lifetime. It had a target of 90 new beneficiaries between Periods 1 to 7 (September 2015 to June 2017). It has recruited 52 new beneficiaries, including 29 new beneficiaries in Period 1 (all beneficiaries in Period 1 being regarded as starters on a new project) during this time-scale. Pollyanna's proposed revised targets for new starts in Periods 9 to 11 (October 2017 to June 2018) offer more realistic targets for the project. Its initial targets were over optimistic.

Pollyanna's under-performance on recruitment of BAME beneficiaries and new starts should be seen in the context that it has been subject to significant challenges in 2017. It has been facing substantial pressures in relation to LBTH

review of Pollyanna in the context of its use of Raine House and the resulting high level of information demands of LBTH audit. It has been receiving ongoing support from Tower Hamlets Council for Voluntary Service (THCVS).

The proposals being put forward by Pollyanna in this significant variation request were recommended for approval by the LBTH Grant Spotlight Review Panel meeting on 8<sup>th</sup> December 2017. The Panel comprises LBTH Third Sector Team and THCVS representative.

#### **Recommendation 8**

**That the significant variation for the Pollyanna Training Theatre in relation to the following be approved:**

- **A reduction in the number of BAME beneficiaries from 53% to 33%**
- **A reduction in the number of new starters for periods 9 &10 from 20 starters to 10 starters and in period 11 reduced from 10 starters to 7 starters.**
- **A match funding budget, from the organisation, for the project. The proposed match funding budget for the project of £5,060 would lead to an overall project budget of £33,059. The match funding budget would be 15.3% of the total revised budget.**

#### **3.15 Update on MSG extension**

As reported at the 12<sup>th</sup> September 2017 Grants Determination Sub-Committee, all MSG projects that are performing satisfactorily have been extended until end of March 2019 and letters have gone to organisations informing them of this. Internal agreement to extend the new cohesion commissioned contracts (formerly theme 5 of MSG) for the same period has also been confirmed. These will therefore also be extended to end of March 2019, subject to continuing satisfactory performance, with notice being given to individual projects of intentions on extension, in advance of their current end date of August 2018.

From 1 April 2019, after the current period of MSG has come to an end, we will continue to provide support and funding to the sector with funding for grants and community commissioning. As part of the co-production work we are undertaking with the sector to develop these funding programmes, we will seek to give early assurance to the sector about our continued commitment to funding infrastructure support across the sector beyond the current MSG period. It is proposed that we work with the sector to further develop what has come out of coproduction with the VCS in relation to infrastructure support, in more detail, and that this should commence early in the new financial year.

**Recommendation 9 – That the Council continue with the co-production of the new Community Commissioning programme, including a commitment to co-produce infrastructure support to the Voluntary and Community Sector.**

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

- 4.1 This report provides an update on the Council's MSG programme, budgeted at approximately £3.049m per annum or £9.148m, over the three year period 2015/18.
- 4.2 There are sufficient resources within directorate budgets to fund the agreed programme over the 3 year period.
- 4.3 The report highlights a number of instances where approved grant awards will not be made, the awards are largely declined as the organisations have not met key project milestones.

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

- 5.1. 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. This is referred to as the Council's best value duty. Best Value considerations have also been addressed in paragraph 7 of the report.
- 5.2. Applying this duty to grants, the Council must operate a fair and open application procedure to process a request to obtain funding. Requests for grant funding should ordinarily be measured against a predetermined set of criteria and the criteria themselves must be fair and transparent. The grant agreement should include a clear monitoring process against defined parameters in order for the Council to demonstrate either: that delivery is in line with the application and, therefore, the grant achieved its purpose; or provide clear delineation where outcomes were not achieved and the reasons for such failure are apparent. Monitoring should therefore include measuring performance against the expected outcomes.
- 5.3. This report provides the Sub-Committee with a performance update advising as to the MSG Themes and whether individual projects are on track to deliver the agreed outputs and outcomes.
- 5.4 The report sets out 9 recommendations and all are appropriate in line with agreed procedures.

#### **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 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.

- 6.3 The opportunities offered through the MSG Programme will play a key role in delivering the aims of One Tower Hamlets.

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

- 7.1 The level of awards to organisations was determined by the quality of their individual applications as well as the overall demand for the funds available within each Theme.
- 7.2 Additionally, the application appraisal process took into consideration the proposed levels of outputs and outcomes to be delivered as well as the organisation's track record and the bid's overall value for money rating.
- 7.3 There will be ongoing performance management of the approved portfolio of projects to ensure that interventions meet the required standards; that the evidencing of project achievements and expenditure are accurately recorded and reported.
- 7.4 Monitoring and reporting arrangements are in place to ensure that payments to organisations are in line with performance. The agreed Payment By Results process will ensure that grants will not be paid to organisations that either significantly or consistently under-perform, or those that are not able to properly evidence the work/outcomes for which funding has been approved.

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

- 8.1 The MSG 2015/18 Programme has a broad focus including developing new skills for local people and organisations that are disadvantaged and perhaps facing multiple barriers to achieving a sustainable future.
- 8.2 All programme beneficiaries be they individuals or local organisations 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 A number of different risks arise from any funding of external organisations. The key risks are:
- The funding may not be fully utilised i.e. allocations remain unspent and outcomes are not maximised
  - The funding may be used for purposes that have not been agreed e.g. in the case of fraud
  - The organisation may not in the event have the capacity to achieve the contracted outputs/outcomes
- 9.2 The monitoring being undertaken has identified a small number of projects that have been rated either Red or Amber within the Council's RAG performance rating process. In these circumstances either formal project improvement plans or other appropriate arrangements have been put in place to minimise the risk of further/significant underperformance.

- 9.3 As part of the ongoing programme management arrangements, support, advice and guidance will be made available projects to ensure that all performance and other risks are minimised.

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

- 10.1 The activities, services and outcomes that are being targeted through the MSG Programme support the objectives of reducing crime and disorder; this is particularly true of the projects delivering under the Community Engagement Cohesion and Resilience Theme.
- 10.2 Throughout the programme as a whole however, those people involved in, or at risk of involvement in the criminal justice system will be targeted for support.

## **11. SAFEGUARDING IMPLICATIONS**

- 11.1 As part of the initial application process organisations were required to provide details of their safeguarding policy if appropriate. The Grant Agreement that funded organisations have entered into includes requirements in relation to safeguarding.
- 11.2 Organisations providing services to children or vulnerable adults and employing staff or volunteers in a position whose duties include caring for, training, supervising or being responsible in some way for them, are required to fully comply with all necessary safeguarding requirements.

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

### **Linked Report:**

- None

### **Appendices:**

- Appendix 1 – Project Performance July to September 2017
- Appendix 2 – Project Performance by RAG rating
- Appendix 3 – Beneficiary Data
- Appendix 4.1 – Theme 1 Summary
- Appendix 4.2 – Theme 2 Summary
- Appendix 4.3 – Theme 3 Summary
- Appendix 4.4 – Theme 4 Summary
- Appendix 5.1 – Project Summary - Culloden Bengali Mother Tongue
- Appendix 5.2 – Project Summary - Pollyanna Training Theatre
- Appendix 5.3 – Project Summary - THYSF Hub Club
- Appendix 5.4 – Project Summary - THYSF Stepping Stones
- Appendix 5.5 – Project Summary - Our Base Ltd
- Appendix 5.6 – Project Summary - Bethnal Green Weightlifting Club
- Appendix 5.7 – Project Summary - THYSF Active Families

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

- None

### **Officer contact details for documents:**

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