

<p align="center">Grants Determination Sub Committee 1st August 2018</p>	
<p>Report of: Zena Cooke, Corporate Director Resources</p>	<p>Unrestricted</p>
<p>MSG Project Performance Report – Period 10 (Jan 2018 to March 2018)</p>	

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

EXECUTIVE SUMMARY

The Mainstream Grant (MSG) 2015/18 Programme was approved by the Commissioners on 29 July 2015 was initially expected to be delivered from 1st September 2015 through to 31st August 2018. At the 12th September 2017 Grants Determination Sub-Committee the programme was extended to 31st March 2019. A further extension to the programme, to the 30th September 2019, was agreed by the Grants Determination Sub-Committee at its meeting on the 6th June 2018.

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 Red, Amber or Green 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.

There are currently 112 live projects at present. Project performance for this period (Jan to March 2018) presently shows there are 5 Red rated projects and 1 Amber rated project. These projects are:

- Tower Hamlets Youth Sports Foundation (three projects rated Red for premises related issues)
- Teviot British Bangladeshi Association (rated Red for underperformance)
- Bethnal Green Weightlifting Club (rated Red for underperformance)
- Shadwell Basin Outdoor Activity Centre (rated Amber for not submitting monitoring return but notifying us in advance)

This report details these issues and provides recommendations for the Sub-Committee to consider

RECOMMENDATIONS

The Grants Determination Sub Committee are recommended to:

- i) Consider and agree the 5 recommendations relating to the releasing of MSG payments to the projects as set out in section 3.3, 3.5, 3.9 and 3.11 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.

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 January to March 2018 period have in some cases, been affected by the premises related issues and by monitoring returns not being submitted. The deadline for returns to be received was 16th April 2018, ten working days after the quarter end.

It is proposed that the Mainstream Grants Spotlight Review Panel will meet on the 27th July 2018 to review Red and Amber projects. An update on this will be presented to the Grants Determination Sub-Committee at its meeting on the 1st August 2018.

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 3 are rated Red and 1 is rated Amber.

The Red rated projects are:

- **Tower Hamlets Youth Sports Foundation – *Hub Club Programme*** –

Update provided in section 3.8 of this report.

- **Tower Hamlets Youth Sports Foundation – *Stepping Stones Programme***

Update provided in section 3.8 of this report.

- **Teviot British Bangladeshi Association – *Opportunity***

The organisation has failed to submit monitoring returns for periods 9 and 10 of the MSG programme which has led to a Red performance rating. The project has ceased activity. Monitoring officers have met with the organisation, most recently on the 5th July 2018 to explore ways to resolve some of the issues that exist with a view to exploring whether provision can be resumed. Late monitoring returns are due to difficulties obtaining information to complete financial and output monitoring. The organisations committee members have changed and systems it has taken a while to be put in place to enable current members' to access required information. An action plan is now in place to support the organisation in submitting the outstanding monitoring information and they have been made aware that this must happen by the 31th August 2018 in order to ensure they secure the MSG extension.

Recommendation 1 – Teviot British Bangladeshi Association

That payment continues to be suspended to the Teviot British Bangladeshi Association pending the submission of satisfactory monitoring information and details of how they will manage missed targets. Payment be released conditional on receipt of all information, together with confirmation of satisfactory performance. If the required information is not submitted by the 31st August 2018, the Teviot British Bangladeshi Association be removed from the MSG extension programme.

- **Shadwell Basin Outdoor Activity Centre - *Girls Can Adventure - Shadwell Basin Outdoor Activity Centre***

The project has been rated amber as no monitoring return was submitted for period 10; however monitoring officers were notified before the deadline for returns that there would be a delay in submission. The project is on target to

achieving its outcomes and outputs; this was evidenced during a monitoring visit on the 20th November 2017.

Recommendation 2 - Shadwell Basin Outdoor Activity Centre

That in accordance with MSG procedures for amber related projects; the Shadwell Basin Outdoor Activity Centre receives two thirds grant payment. Once the period 10 monitoring return is submitted and subject to satisfactory performance the organisation be rated Green and in accordance with the RAG performance rating, the remainder of grant payments be released accordingly.

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, all of which are RAG rated Green for performance.

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 are:

- **Tower Hamlets Youth Sports Foundation – *Active Families***

Update provided in section 3.8 of this report.

- **Bethnal Green Weightlifting Club (BGWC) – *Bethnal Green Weightlifting Club***

The project has been RAG rated Red because of underperformance against output targets and unclear definitions of output actuals reported. A Significant Variation Request (SVR) was submitted by the organisation and was agreed at the Grants Determination Sub-Committee meeting on 6th June 2018.

The period 9 and 10 returns have not been submitted as target outputs and definitions needed to be revised to reflect actual delivery. A meeting took place between grant officers and the organisation on the 26th June 2018 to confirm details of the SVR so the organisation can submit the outstanding returns. These will then be verified, and payments released upon satisfactory performance against the revised outputs/outcomes.

Recommendation 3 - Bethnal Green Weightlifting Club (BGWC)

That payment continues to be suspended to the Bethnal Green Weightlifting Club pending the submission of satisfactory monitoring information. Once received and evaluated, payment be released conditional on receipt of all information, together with confirmation of satisfactory performance.

3.6 Theme 4 Summary – Third Sector Organisational Development

Theme four consists of 3 projects. All projects within this theme have been RAG rated Green for performance 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 12th September 2017.

3.8 Tower Hamlets Youth Sports Foundation (*Active Families, Hub Club Programme and Stepping Stones Programme*)

After meeting with THYSF on 11th May at which the council offered immediate support to assist THYSF in submitting the outstanding monitoring returns and premises agreements to enable the three projects to be RAG rated, THYSF finally provided information during the week of 2nd July 2018.

The production of monitoring returns enabled performance to be evaluated for the outstanding quarterly monitoring periods. The production of premises agreements enabled officers to review the agreements that were in place. Additionally a monitoring visit was undertaken on 12th July at which three Officers worked with THYSF to ensure conditions of grant were being met.

The organisation has some premises related issues which are detailed in 3.10 of this report, advice was sought from the council’s Asset Management Team on the premises agreements and it has been decided that payments be made to the organisation in arrears reflecting the fact that the premises agreements provide no security of tenure.

In accordance with the decision made at Grants Determination Sub Committee on 6th June and in light of the progress made, payments in arrears to THYSF will be released via delegated authority of the Corporate Director Resources after consultation with the Executive Mayor.

Premises Issues

- 3.9 At the GDSC meeting on the 6th June 2018, subject to completion of an appropriate property agreement, it was agreed that the following organisations would receive a rent subsidy to cover the cost of rent up to the end of the MSG programme (30th September 2019). The Council are in the process of writing to these organisations confirming the rent subsidy and next steps. Whilst this takes place, together with lease negotiations, it is recommended that MSG payments to these organisations continue subject to satisfactory performance:

- Age UK East London
- Bethnal Green Weightlifting Club
- Black Women's Health and Family Support
- Legal Advice Centre
- Stifford Centre
- Our Base
- Tower Hamlets Community Transport

Recommendation 4 – organisations receiving rent subsidy

That in light of the GDSC decision to award rent subsidies to the above organisations and whilst the Council engages with these organisation in terms of next steps and lease negotiations, that MSG payments continue to be paid subject to satisfactory performance.

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

The organisation has been supplied with the Council's approved booking form to complete, however THYSF have produced a lighter touch version of this. In March 2018 the organisation was again supplied with the Council's approved booking form and was notified that this must be used for all future bookings. The organisation submitted completed booking forms in March and again in July 2018 but on both occasions have used their own light touch version. Having sought advice from the Council's Asset Management Team on the agreements, a decision has been taken that as the agreement provides no security of tenure the organisation should only be paid in arrears until premises related issues have been fully resolved. Officers will continue to work with THYSF and try to persuade them to use the council's approved form which if correctly completed, may evidence security of tenure.

In the meantime as there are on-going unresolved issues pertaining to premises for each of the three projects, the organisation will be RED rated and grant payments will made in arrears.

3.11 Family Action

The old license for 2014-2017 was completed on the 7th June 2017; this included £15,300 in rent which has now been paid by the organisation. The organisation have shown a clear willingness to enter into an appropriate property agreement with the Council, however the Council is currently exploring the most appropriate agreement.

Recommendation 5 - Family Action

That in acknowledgement of Family Action's willingness to enter into an appropriate property agreement, MSG payments be released for this period subject to satisfactory performance.

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.
- 4.2 There are sufficient resources within directorate budgets to fund the agreed programme over 3 years and the extension period.
- 4.3 The report highlights a number of instances where approved grant awards will not be made, as the organisations are yet to achieve relevant agreed project milestones and on that basis payments are therefore withheld.

5. LEGAL COMMENTS

- 5.1 The decisions of the Commissioners relating to the Mainstream Grants were made at a time when the Council's grant function was being carried out by the Commissioners. Therefore, the Council executive should still consider itself to be bound by those decisions.
- 5.2 A number of recommendations have been made in respect of certain projects highlighted within section 3. The recommendations relating to each project may be actioned given that the grant application and terms enables the Council to pay, refuse, discontinue or suspend payment (with or without conditions) as appropriate relative to each individual project.
- 5.3 The key requirement for the Council is to act reasonably and consistently with the advertised grant process and terms. In addition, the Council is bound by its Best Value duty to ensure that the grant funds are being used in accordance with the grant terms. Therefore, where monitoring concludes that organisations are not performing in a manner consistent with those terms, the Council is entitled to take a variety of actions.

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.
- 7.5 Agreement of the proposed rent subsidies will assist the Council in achieving the Best Value action plan in relation to the regularisation of lease arrangements with VCS organisations which occupy our premises.

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.

Linked Reports, Appendices and Background Documents

Linked Report:

- None

Appendices:

- Appendix 1 – Project Performance January 2018 – March 2018
- 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

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

- None

Officer contact details for documents:

Steve Hill, Head of Benefits Services

Phone: 020 7364 7252 **Email:** steve.hill@towerhamlets.gov.uk