

<b>Grants Determination Sub-Committee</b> 7 <sup>th</sup> November 2018	 <b>TOWER HAMLETS</b>
<b>Report of:</b> Zena Cooke, Corporate Director Resources	<b>Classification:</b> Unrestricted
<b>MSG Performance Report – Period 11 (April – June 2018)</b>	

<b>Lead Member</b>	<b>Councillor Candida Ronald, Cabinet Member for Resources and the Voluntary Sector</b>
<b>Originating Officer(s)</b>	Steve Hill, Head of Benefits Services
<b>Wards affected</b>	All wards
<b>Key Decision?</b>	Yes
<b>Reason for Key Decision</b>	Impact on Wards
<b>Community Plan Theme</b>	<b>All themes</b>

### Executive Summary

The Mainstream Grant (MSG) 2015/18 Programme was approved by the Commissioners on 29 July 2015 and was initially expected to be delivered from 1<sup>st</sup> September 2015 through to 31<sup>st</sup> 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. A further extension to the programme, to the 30<sup>th</sup> September 2019, was agreed by the Grants Determination Sub-Committee at its meeting on the 6<sup>th</sup> 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 (April to June 2018) presently shows there are 5 Red rated projects.

Three projects relate to:

- Tower Hamlets Youth Sports Foundation (three projects rated Red for premises related issues)

Two projects relate to:

- Family Action (two projects rated Red for premises related issues)

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

## **Recommendations:**

The Grants Determination Sub committee are recommended to:

1. Consider and agree the three recommendations relating to the releasing of MSG payments to projects as set out in section 3.8 and 3.10 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 THE REPORT**

- 3.1 For the reporting period, the MSG Programme had 112 live projects.
- 3.2 The deadline for returns to be received was 13th July 2018, ten working days after the quarter end.

During this period the Third Sector Team finalised the MSG Extension Grant Offer Letters whilst also undertaking grants monitoring for this quarter.

As none of the Red ratings for projects were performance related; the scheduled Grants Spotlight Review meeting was postponed for this quarter.

### 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.

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.
- **Family Action – Tower Hamlets Young Carers Support Service**  
Update provided in section 3.10 of this report.

### 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 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.

The Red rated projects are:

- **Tower Hamlets Youth Sports Foundation – Active Families**  
Update provided in section 3.8 of this report.
- **Family Action – Somali Mental Health Promotion**  
Update provided in section 3.10 of this report.

### **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)**

Following extensive discussions and significant financial support over a number of years Tower Hamlets Youth Sports Foundation has been unable to produce a viable business plan. The Foundation is currently in the process of settling its outstanding liabilities and the Council has been assisting with that process whilst monies owed to the Foundation are being recovered.

For the reporting period April to June 2018, THYSF have provided monitoring information for its MSG projects and from the performance perspective THYSF has met all its obligations.

However, the council is presently liaising with THYSF to obtain remaining premises agreements for this reporting period and indeed up to the end of the programme in August 2018; so that officers can provide a comprehensive report on all premises agreements THYSF have supplied. This will inform a recommendation on whether all grant conditions (including premises) have been met by THYSF.

In light of the unviability of THYSF, MSG funding due up to the end of March 2018, is being released to assist with the settlement of liabilities. Payments of £38k and £11k have been released from MSG funding envelope of £63k agreed to date; sums remain due from the Foundation in respect of advances made to allow the continued participation in a football tournament overseas and significant additional sums have also been made available to support the Foundation with end of year deficit positions over the previous 3 financial

years. Payments due to external suppliers have been prioritised. These payments have been agreed in consultation with the Executive Mayor.

### **Recommendation 1**

**The release of MSG funding due to THYSF for the period April to June 2018, be released with approval via delegated authority of the Corporate Director Resources and/or the Divisional Director, Finance, Procurement and Audit after consultation with the Executive Mayor. These sums will be used to facilitate an orderly close down of THYSF and in settlement of identified priority payments.**

### **Premises**

3.9 At the Grants Determination Sub Committee meeting on the 1<sup>st</sup> August 2018, it was agreed that subject to completion of an appropriate property agreement, the following organisations would receive a rent subsidy to cover the cost of rent up to the end of the MSG programme (30<sup>th</sup> September 2019). Officers are in the process of liaising with these organisations confirming the rent subsidy and next steps. In accordance with the decision on 1<sup>st</sup> August 2018, whilst this takes place, together with lease negotiations, 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

### 3.10 **Family Action**

The old licence for 2014-17 was completed on 7<sup>th</sup> 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 2 – Family Action**

**That in acknowledgement of Family Action's willingness to enter into an appropriate property agreement, MSG payments be released for April to June 2018 period subject to satisfactory performance.**

### **Recommendation 3 – Family Action**

**That conditional on Asset Management's confirmation of Family Action's satisfactory ongoing engagement on premises issues with the council; subject to satisfactory performance, future MSG payments be released to Family Action with approval via delegated authority of the**

**Corporate Director Resources and/or the Divisional Director, Finance, Procurement and Audit.**

**4. EQUALITIES IMPLICATIONS**

- 4.1 A strategic assessment was undertaken of the proposed MSG programme in April 2015. It focused on identified need (or beneficiaries) and the difference between the MSG Programme 2013-15 and the proposed programme. Looking in particular at the potential impact of;
- Reduction in overall funding;
  - Rationalisation of themes; and
  - Introduction of locality boundaries
- 4.2 The programme continues to deliver against the themes developed to address the identified need.

**5. OTHER STATUTORY IMPLICATIONS**

**One Tower Hamlets Considerations**

- 5.1 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.

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.

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

**Best Value (BV) Implications**

- 5.2 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.

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.

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.

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.

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.

### **Sustainable Action for a Greener Environment**

- 5.3 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.

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.

### **Risk Management Implications**

- 5.4 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

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.

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.

### **Crime and Disorder Reduction Implications**

- 5.5 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.

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.

## **Safeguarding Implications**

- 5.6 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.

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.

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

- 6.1 The Main Stream Grant (MSG) Programme was approved by the Commissioners on the 29 July 2015 and initially covered the period between, 1<sup>st</sup> September 2015 through to 31<sup>st</sup> August 2018. However subsequent Grants Determination Committees (GDC) revised the date which led most recently to the current programme end date of 30<sup>th</sup> September 2019 this was decided at a GDC meeting held on the 6<sup>th</sup> June 2018.
- 6.2 The Councils MSG programme is budgeted at approximately £3.049m per annum. Funding exists within individual directorate budgets to fully fund the agreed programme and associated payments until 30<sup>th</sup> September 2019.
- 6.3 This report highlights projects, which have achieved varying levels of performance by reaching respective key milestones, within the agreed monitoring and payment framework. It should be noted that projects in Section 3.8 & 3.10 needed the agreement of the Executive Mayor, Corporate Director Resources and or Divisional Director, Finance, Procurement and Audit in order for payment to be made.

## **7. COMMENTS OF LEGAL SERVICES**

- 7.1 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.
- 7.2 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.
- 7.3 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.

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

### **Linked Report**

- None

### **Appendices**

- Appendix 1 – Project Performance April 2018 – June 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:**

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