

<b>Grants Determination Sub Committee</b> 14 <sup>th</sup> February 2017	
<b>Report of:</b> Zena Cooke, Corporate Director Resources	Unrestricted
<b>MSG Project Performance Report – Period 5 – October to December 2016</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 Commissioners on 29 July 2015 and runs from 1 September 2015 through to 31 August 2018.

The Programme is made up of five (5) broad Themes covering a range of activities and services. 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.

This performance report provides an update on Period 4 from October to December 2016 covering Red and Amber performance rated projects for this period. The full performance report will be presented as planned at the March meeting.

Project performance for this period (October to December 2016) presently shows there are 9 Red rated projects and 4 Amber rated projects. This compares to 3 Red rated projects and 5 Amber rated projects for the previous performance monitoring period (July to September 2016).

Projects are classified as either Green, Amber or Red within the Council's agreed performance management framework. This report covers Red and Amber rated projects only. All current Red performance ratings are as a consequence of premises related issues only and this report details those issues and provides recommendations for the Committee to consider.

This report also provides an update on the position regarding the four remaining Mainstream Grants' (MSG) recipients that were identified as based in council buildings which are not classed as community buildings.

## **RECOMMENDATIONS**

Grants Determination (Cabinet) Sub Committee are recommended to:

1. Consider the recommendations relating to the Red and Amber rated projects as set out in section 3 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 (Cabinet) 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 (Cabinet) Sub Committee could request further information or alter the recommendations.

### **3. DETAILS OF REPORT**

#### **Introduction**

- 3.1 The MSG Programme currently has 124 live projects.
- 3.2 Monakka Monowar Welfare Foundation withdrew from the Grants programme as was reported to Grants Determination (Cabinet) Sub Committee in January.

Performance ratings for the live projects throughout the October to December period have been affected by the premises related issues. A theme by theme summary for Red and Amber projects is set out below.

## **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 56 live projects within this theme of which 3 are rated Amber and 4 are Red rated projects.

The Red rated projects are

- **Black Women's Health and Family Support** – Somali mother tongue programme
- **Black Women's Health and Family Support** – Supplementary School Programme
- **Pollyanna Training Theatre** – Musical theatre and Performance Arts Course
- **Children's Education Group** – Berner Football Academy

All Red rated projects within this theme are Red rated as a consequence of premises issues.

The Amber rated projects for theme 1 are:

- Cubbitt Town Bangladeshi Cultural Association
- EC Lighthouse Ltd – EC Lighthouse/Lithuanian School
- St Giles Trust - Gamechangers

## **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 we formally refer to as Routeways to Employment. The other area focuses on delivering a range of social welfare advice services.

This theme is made up of 20 projects.

No projects within this theme have been rated Red or Amber for this reporting period.

## **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 35 live projects, of which 5 are rated Red.

The Red rated projects are

- **Bethnal Green Weightlifting Club**

- **Black Women’s Health and Family Support** – lifelong learning programme, textile and designs project, ESOL classes and ICT drop in project
- **Age UK East London** – Appian Court activity centre and lunch club
- **Children Education Group** – Harkness Luncheon Club
- **Age UK East London** – Friend at home

All Red rated projects within this theme are Red rated as a consequence of premises issues.

#### **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.

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

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

This theme is made up of 10 projects. One project is rated as Amber.

The Amber rated project is:

- Somali Parents and Childrens Play Association – Somali women engagement forum

- 3.3 The Mainstream Grants Spotlight Review Panel are due to meet and review all Red and Amber rated projects in advance of the March Grants Determination (Cabinet) Sub Committee. Updates will be provided to the February meetings of Grants Scrutiny Sub Committee and March Grants Determination (Cabinet) Sub Committee.

#### **Premises Issues**

- 3.4 The following projects have previously been highlighted as needing to enter into ‘appropriate property agreements’ as a specific condition of grant:
- Wapping Bangladeshi Association
  - Bangladeshi Youth Movement
  - Somali Senior Citizens Club
  - Dorsett Community Association
  - Limehouse Project
  - Deaf Plus
  - Children Education Group

- viii. Osmani Trust
- ix. Stifford Centre

With the exception of the Children Education Group the organisations listed above have met the required premises conditions.

#### Children Education Group (CEG) update

A final letter issued by the Council's Asset Management Team to CEG on the 16<sup>th</sup> January 2017 sets out two options for the organisation – the option of entering into a lease and paying the appropriate rent at Harkness House or moving to a space on a licence at the Christian Street Centre. The organisation has been given 4 weeks from the date of the letter to confirm to the Council how they would like to proceed. The Council's Third Sector Team have also sent a letter reminding the Group that it is a condition of their MSG that they enter into an appropriate property arrangement and that given the delay in a premises agreement being signed, this must be confirmed within the four week deadline or the Group will have their engagement with the MSG programme terminated.

#### **Recommendation 1 – Children Education Group**

**That CEG be given until the expiry of the four week period, as detailed in the Asset Management letter of 16<sup>th</sup> January, to confirm their intention to enter into an appropriate premises agreement. Failure to do so will result in the group being removed from the Grants programme.**

- 3.5 The report to the January Committee highlighted that the revised and on-going monitoring of Mainstream Grants recipients and their grant conditions had identified the following organisations in council buildings, which are not classed as community buildings. A further update and recommendation for each of these organisations is set out below.

#### Bethnal Green Weightlifting Club (BGWLC) update

As stated in the previous report, this organisation is in a Council building with no lease agreement currently in place - the occupying group have been in situ for many years however there is no justification for there not to be a lease in place at a market rental.

The last payment to the organisation was on the 11<sup>th</sup> May 2016 and to date £14,220 has been withheld from the organisation on the basis that they have not entered into an appropriate property agreement.

The Council has attempted to engage with the BGWLC since 2014 to resolve the outstanding premises issue. To date, the discussions with the organisation have resulted in the organisation taking the view that they will not pay rent at the market rate with any property arrangement between the organisation and the Council.

The Council's Asset Management team have written to the BGWLC stating that the Council is considering serving a Section 25 notice, which is the mechanism by which the tenancy will be terminated.

The Third Sector Team have also written to the organisation stating that an intention to enter into an appropriate property arrangement must be confirmed to the Council within four weeks of the letter or BGWLC will have their engagement with the MSG programme terminated.

**Recommendation 2 – Bethnal Green Weightlifting Club**

**That BGWLC be given four weeks from the date of the letter issued by the Council's Asset Management Team to agree to enter into an appropriate property arrangement or be removed from the Grants programme.**

Black Women's Health and Family Support / Age UK (82 Russia Lane)

As set out in the January report, Russia Lane is a Council owned building. There is a council run day service on the ground floor and Black Women's Health and Family Support occupy one of the other two floors. Black Women's Health and Family Support do not currently have a lease in place for the use of the building.

Age UK also occupy one of the floors at Russia Lane. There is also no lease arrangement in place between the Council and the organisation. Terms were previously agreed with both organisations in 2014 before the Council's Corporate Landlord model was introduced but were not progressed or concluded.

Both organisations have confirmed they will enter into a premises agreement with the Council for the floors that they operate from within the building.

The Council's Asset Management team are currently in the process of agreeing heads of terms with the Council's Legal Service to conclude this matter as soon as possible.

**Recommendation 3 – Black Women's Health and Age UK**

**As both the Black Women's Health and Family Support and Age UK have confirmed their willingness to enter into a formal premises arrangement with the council, it is recommended that the current Red performance ratings allocated due to the premises issues are considered separately for the purposes of the MSG payments. It is recommended that for the current quarter the quarterly MSG payment in arrears (rather than in advance) is made to both organisations, subject to satisfactory MSG performance ratings.**

Pollyanna Training Theatre (Wapping TRA)

As stated in the January report, the building is occupied by Wapping TRA and Lunch Club under a tenancy at will. The Pollyanna Training Theatre have no direct contractual arrangement with the Council in respect of the property they occupy, which comprises the majority of the building. It is acknowledged that Pollyanna have acted in good faith and the organisation has confirmed it will enter into a premises agreement with the Council.

The Council's Asset Management team and Legal Service are currently progressing establishing a direct premises agreement between the Council and the Pollyanna Training Theatre.

#### **Recommendation 4 – Pollyanna Training Theatre**

**As the Pollyanna Training Theatre have confirmed their willingness to enter into a formal premises arrangement it is recommended that the current Red performance rating allocated due to the premises issues are considered separately for the purposes of the MSG payments. It is recommended that for the current quarter the quarterly MSG payment in arrears (rather than in advance) is made, subject to satisfactory MSG performance ratings.**

As set out in the report to the January meeting, an audit of all MSG projects being delivered from Council buildings (whether as the main delivery site or an outreach site) was undertaken. The purpose of this exercise was to provide full assurance in that all MSG recipients were meeting the premises condition for grants.

The audit identified 23 other organisations which required further verification in terms of their arrangements for the Council buildings that they were using. From this list of 23, there now remain three where further work is required to confirm the status of the organisation in terms of the premises arrangements, these are:

- DeafPlus
- Limehouse Welfare Association
- Splash Play

To ensure the grant conditions are met, payments to these organisations have been suspended and the organisations have been advised. The work required to establish their status is being undertaken as a priority and an update will be provided to the February meetings of Grants Scrutiny Sub Committee and the Grants Determination (Cabinet) Sub-Committee.

#### Amber rated projects – October to December 2016

The following four projects are Amber rated for this performance period. These projects will be invited to meet with the officer Grants Scrutiny Panel, which includes the CVS to understand the performance issues and to identify what support and action is required.

#### **Cubbitt Town Bangladeshi Cultural Association**

This project has been Green performance rated for each of the last four periods. Monitoring returns show an underperformance on outputs for period 5. The Grants Officer will be undertaking visits to the organisation to provide support and determine what needs to be done to return performance to Green. A verbal update will be provided to the February meetings of Grants Scrutiny Sub Committee and the Grants Determination (Cabinet) Sub-Committee.

### **EC Lighthouse Limited – EC Lighthouse/Lithuanian School**

This project has also been Green performance rated for each of the four previous quarters but has moved to Amber in this quarter. The Grants Officer will be undertaking visits to the organisation to provide support and identify what is required to return performance levels to Green. A verbal update will be provided to the February meetings of Grants Scrutiny Sub Committee and the Grants Determination (Cabinet) Sub-Committee.

### **St Giles Trust - Gamechangers**

This project initially recorded two Amber performance ratings in the first two performance periods before moving to Green for the next two but has slipped back to Amber during the October to December monitoring period. The organisation have advised that key staff changes and winter weather have been contributory factors to underperformance for this period. Monitoring visits are planned to investigate the reduction in performance (the latest information indicates the project may have under reported performance for period 5). These issues will be investigated and Grants Scrutiny Panel will also seek to clarify the reduction in performance as the current Amber rating may be revised to Red if the underperformance is at 50% for the last quarter. A verbal update will be provided to the February meetings of Grants Scrutiny Sub Committee and the Grants Determination (Cabinet) Sub-Committee.

### **Somali Parents and Childrens Play - Somali Women Engagement Forum**

The Grants Officer is working closely with the organisation to continue to improve performance and the project is now in its final quarter of delivery. The intention is to provide intensive support during the last quarter in order to end the project on a Green performance rating. A verbal update will be provided to the February meetings of Grants Scrutiny Sub Committee and the Grants Determination (Cabinet) Sub-Committee.

### **Recommendation 5 – Amber rated projects**

**Grants Determination (Cabinet) are recommended to note the performance relating to the 4 Amber projects above and agree the projects/organisations be awarded two thirds of MSG funding due, in accordance with the agreed procedures.**

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

- 4.1 This report provides an update on the Councils 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, either because the organisation has declined the award or organisations have not met 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 five (5) recommendations. With regard to recommendations 1 and 2 (Children Education Group and Bethnal Green Weightlifting Club respectively), the organisation performance rating is red due to the fact that these organisations are in Council properties but they have neither entered into nor agreed to enter into an appropriate premises agreement to occupy the respective premises. This is contrary to Commissioners directions requiring premises agreements to be in place for organisations in receipt of mainstream grants and operating from Council premises. It is therefore appropriate for officers to recommend that the approved funding be withheld.
- 5.5. As to recommendations 3 and 4, these also relate to organisations (Black Women's Health and Family Support/ Age UK and Pollyanna Training theatre) being rated red due to the fact that these organisations are in Council properties but they have not entered into an appropriate premises agreement to occupy the respective premises. These organisations have however, all agreed to enter into such agreements and the recommendations for the current quarter to be paid in arrears (rather than in advance) subject to satisfactory MSG performance ratings is appropriate.
- 5.6. As to recommendation 5, the four (4) projects referred to are all rated amber and for the reasons stated in the report. The recommendation to award two thirds ( $\frac{2}{3}$ <sup>rd</sup>s) of MSG funding due is 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.
- 7.5 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.
- 7.6 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:**

- MSG 2015/18 Programme – available via the following link:  
<http://modern.gov.towerhamlets.gov.uk/documents/b16444/Item%205.4%20Main%20Stream%20Grants%20201518%20Programme%2029th-Jul-2015%2018.30%20Commissioners%20Decision%20Making%20M.pdf?T=9>

### **Appendices:**

- None

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

- None

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

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