

COMMISSIONERS' DECISION MAKING MEETING

SECOND SUPPLEMENTARY AGENDA

Tuesday, 17 January 2017 at 5.00 p.m.
Room MP702, 7th Floor, Town Hall, Mulberry Place, 5 Clove
Crescent, London, E14 2BG

The meeting is open to the public to attend.

Members:

Sir Ken Knight (Chair)	(Commissioner)
Chris Allison (Member)	(Commissioner)
Max Caller (Member)	(Commissioner)
Alan Wood (Member)	(Commissioner)
Mayor John Biggs	(Executive Mayor)

Co-opted Members: (Non Voting)

Mayor John Biggs	(Executive Mayor)
Councillor Rachael Saunders	Deputy Mayor and Cabinet Member for Education & Children's Services

Public Information:

The public are welcome to attend these meetings.

Contact for further enquiries:

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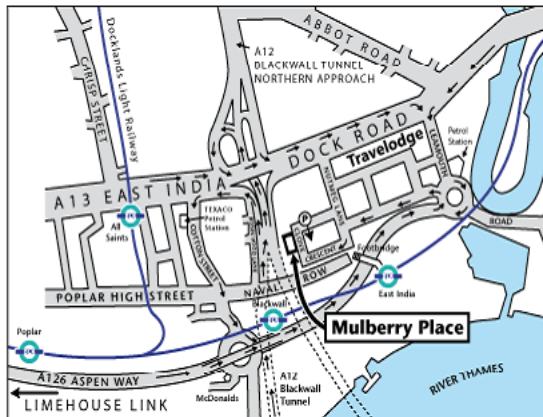
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A Guide to Commissioner Decision Making

Commissioner Decision Making at Tower Hamlets

As directed by the Secretary of State for Communities and Local Government, the above Commissioners have been directed to take decision making responsibility for specific areas of work. These include examples such as the disposal of properties, awarding of grants and certain officer employment functions. This decision making body has been set up to enable the Commissioners to take their decisions in public in a similar manner to existing processes.

Key Decisions

Executive decisions are all decisions that are not specifically reserved for other bodies (such as Development or Licensing Committees). Most, but not all, of the decisions to be taken by the Commissioners are Executive decisions. Certain important Executive decisions are classified as **Key Decisions**.

The constitution describes Key Decisions as an executive decision which is likely

- a) to result in the local authority incurring expenditure which is, or the making of savings which are, significant having regard to the local authority's budget for the service or function to which the decision relates; or
- b) to be significant in terms of its effects on communities living or working in an area comprising two or more wards in the borough.

Upcoming Key Decisions are published on the website on the 'Forthcoming Decisions' page through www.towerhamlets.gov.uk/committee. The Commissioners have chosen to broadly follow the Council's definition in classifying their determinations.

Published Decisions

After the meeting, any decisions taken will be published on the Council's website.


- The decisions for this meeting will be published on: **Friday, 20 January 2017**

LONDON BOROUGH OF TOWER HAMLETS
COMMISSIONERS' DECISION MAKING MEETING

TUESDAY, 17 JANUARY 2017

5.00 p.m.

6 .4	MSG Project Performance Report - Period 4 - July to September 2016	1 - 8
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Commissioners Decision Report 17 January 2017	 TOWER HAMLETS
Report of: Zena Cooke, Corporate Director Resources	Classification: Unrestricted
MSG Project Performance Addendum Report – Period 4 July to September 2016 (Agenda item 6.4)	

Lead Member	Rachel Saunders
Originating Officer(s)	Steve Hill – Head of Benefits Services
Wards affected	All wards
Key Decision?	No
Community Plan Theme	One Tower Hamlets

EXECUTIVE SUMMARY

This addendum to agenda item report 6.4 provides an update on the position regarding the seven Mainstream Grants' (MSG) recipients that have been identified as based in council buildings which are not classed as community buildings.

The addendum also provides an update on the review of all MSG recipients and the review plan for other grant funding streams.

RECOMMENDATIONS:

The Commissioners are recommended to:

1. Consider the update and agree the recommendations as set out in paragraphs 3.4, 3.8, 3.11, 3.15, 3.18, 3.21 and 3.24 of this addendum.

1. REASONS FOR THE DECISIONS

- 1.1 To consider the funding relating to the seven identified 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 Commissioners could request further information or alter the recommendations detailed in 3.4, 3.8, 3.11, 3.15, 3.18, 3.21 and 3.24.

3. DETAILS OF REPORT

- 3.1 The revised and on-going monitoring of Mainstream Grants recipients and their grant conditions has identified the following organisations in council buildings which are not classed as community buildings. For each of these organisations the current status, when a lease is expected to be in place and the recommendations to Commissioners are detailed.

The organisations are:

3.2 Bethnal Green Weightlifting Club

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. To date discussions with the organisation have thus far resulted in the organisation taking the view that they will not pay rent at the market rate.

- 3.3 The last payment to the organisation was on the 11th 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.

- 3.4 **Recommendation: MSG funding should not be paid on the basis that the grant conditions are not met.**

3.5 Black Women's Health and Family Support (Russia Lane)

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.

- 3.6 The organisation has three MSG projects totalling £59,400. The last payment to the organisation was on the 7th November 2016. To date, £11,791 has been withheld from the organisation pending Commissioners' consideration.

- 3.7 It has been established that terms were previously agreed in 2014 before the Council's Corporate Landlord model was introduced but were not progressed or concluded. The group has written to say that they are very keen to work with the Council and agree a premises agreement at the earliest opportunity. The Council's Asset Management team and Legal Services are aware of the current position and this matter will be progressed as a priority.

- 3.8 **Recommendation: In acknowledgement of the BWHFS commitment of working with the council to formalise the premises arrangements, it is proposed that the backdated MSG be paid to the Black Women's Health and Family Support Service with the advance quarterly payment made once a signed premises agreement is in place.**

3.9 Age UK (Russia Lane)

- 3.10 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. However as with the BWHFS who also occupy Russia Lane, terms were previously agreed in 2014 before the Council's Corporate Landlord model was introduced but were not progressed or concluded. The group has written to say that they are very keen to work with the Council and agree a premises agreement at the earliest opportunity. The Council's Asset Management team and Legal Services are aware of the current position and this matter will be progressed as a priority.
- 3.11 The organisation has two MSG projects totalling £196,943. The last payment to the organisation was on the 28th September 2016. To date, £25,405 has been withheld pending Commissioners' consideration.
- 3.12 **Recommendation: In acknowledgement of Age UK's commitment of working with the council to formalise the premises arrangements, it is proposed that the backdated MSG be paid to Age UK with the advance quarterly payment made once a signed premises agreement is in place.**
- 3.13 Pollyanna Training Theatre (Wapping TRA)
- 3.14 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 that they occupy, which comprises the majority of the building. It is acknowledged that Pollyanna have acted in good faith and have advised they are willing to do whatever the Council requires to put the matter on a proper footing. The Council's Asset Management team and Legal Services are aware of the current position and this matter will be progressed as a priority.
- 3.15 The organisation has one MSG project totalling £27,999. The last payment to the organisation was on the 24th October 2016. To date, £2,983 has been withheld from the organisation pending Commissioners' consideration.
- 3.16 Further information is contained in an exempt appendix to this report.
- 3.17 **Recommendation: In acknowledgement of Pollyanna's commitment of working with the council to formalise the premises arrangements, it is proposed that the backdated MSG be paid to Pollyanna with the advance quarterly payment made once a signed premises agreement is in place.**
- 3.18 Weavers Adventure Playground Association's (WAPA) Play On Project
- Weavers Adventure Playground Association's (WAPA) Play On project is operating from a playground owned by LBTH. WAPA owns the project premises. WAPA is paying a peppercorn rent to LBTH for the use of the playground and has been seeking to renew the lease for the playground. Asset Management are addressing the issue of the lease renewal and have advised this is likely to remain at a peppercorn rent.

3.19 The organisation has one MSG project totalling £56,376. The last payment to the organisation was on the 21st October 2016. To date, £9,396 has been withheld from the organisation pending Commissioners consideration.

3.20 **Recommendation: Given the premises arrangement will be at peppercorn rent levels for the Weavers Adventure Playground, the recommendation is that the MSG payments are made.**

3.21 Tower Hamlets Community Transport (THCT)

THCH is an independent company and appears to be holding over on a lease that expired in 1985. Terms are in place but legal advice is required to update the premises agreement with THCH.

3.22 THCH are part of a consortium where the Tower Hamlets Council for Voluntary Services and Volunteer Centre Tower Hamlets are delivery partners for the MSG grant. The grant totals £343,200. The last payment was made on the 24th October 2016. To date, £28,600 has been withheld from the organisation pending Commissioners consideration. Asset Management are addressing the issue of the lease renewal.

Recommendation: As THCT are not the direct recipient of MSG and the lease is held over, the recommendation is that the MSG is released for payment.

3.23 The Shadwell Community Project: Glamis Adventure Playground

The organisation is using the adventure playground which is owned by LBTH and although terms are in place the legal advice is outdated and requires reviewing. The organisation is paying a peppercorn rent to LBTH for the use of the playground. Asset Management are addressing the issue of the lease and have advised this is likely to remain at a peppercorn rent.

3.24 The organisation has one MSG project totalling £24,999. The last payment to the organisation was on the 27th November 2016. To date, £10,415 has been withheld from the organisation pending Commissioners' consideration.

3.25 **Recommendation: Given the premises arrangement will be at peppercorn rent levels for the Glamis Adventure Playground, the recommendation is that the MSG payments are made.**

Reconciliation and On-going Monitoring

3.26 For assurance purposes a full reconciliation, of all MSG funded organisations has been undertaken to identify whether any other organisations are based in Council owned buildings. This has included checking through land registry, whether the Council owns the delivery or outreach site and whether an appropriate premises arrangement is in place. In addition to this reconciliation, Asset Management has also undertaken a full check of MSG buildings to

explore whether any are owned by the Council and whether appropriate premises arrangements are in place. This is in addition to the on-going monitoring and checking that has been put in place to review compliance with all grant conditions.

- 3.27 Further work arising from the reconciliations, relating to 23 organisations is being undertaken as part of the wider implementation plan including on buildings used for outreach delivery work. It is proposed that a report detailing the outcome of this work will be presented at the Decision Making Meeting in Public on the 14th February 2017.
- 3.28 The process for approving payments has been strengthened to ensure that pre-award conditions, including those relating to property issues are adhered to. Grants Officers are now required to obtain a copy of the current premises arrangements/lease/licence etc. and routinely retain this information on file, checking that the premises agreement covers the whole duration of the grant period and if appropriate, diarising dates for renewal (where the agreement may expire during the period of grant) for all organisations in receipt of MSG and regardless of their landlord's status.
- 3.29 The Third Sector Team also liaise with Asset Management in order to identify whether leases have lapsed or are due to lapse. This additional measure ensures premises issues are identified at an early stage and where appropriate, funding will be withheld until premises agreements are in place.

4. COMMENTS OF THE CHIEF FINANCE OFFICER

- 4.1. Comments of the Chief Financial Officer are contained within the main report.

5. LEGAL COMMENTS

- 5.1. Legal comments are set out in the main report, to which this report is an addendum.

6. ONE TOWER HAMLETS CONSIDERATIONS

- 6.1. These are set out in the main report.

7. BEST VALUE (BV) IMPLICATIONS

- 7.1. These are set out in the main report.

8. SUSTAINABLE ACTION FOR A GREENER ENVIRONMENT

- 8.1 These are set out in the main report.

9. RISK MANAGEMENT IMPLICATIONS

- 9.1 These are set out in the main report.

10. CRIME AND DISORDER REDUCTION IMPLICATIONS

10.1 These are set out in the main report.

11. SAFEGUARDING IMPLICATIONS

11.1 These are set out in the main report.

Linked Reports, Appendices and Background Documents

Linked Report

- **MSG Project Performance Report – Period 4 July to September 2016**

Appendices

Exempt appendix

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

- None

Officer contact details for documents:

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By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

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