

GRANTS DETERMINATION (CABINET) SUB- COMMITTEE

Wednesday, 11 September 2019 at 5.30 p.m.

Committee Room One - Town Hall Mulberry Place

RESPONSE TO OVERVIEW AND SCRUTINY QUESTIONS

This meeting is open to the public to attend.

Contact for further enquiries:

Zoe Folley, Committee Services Officer
Town Hall, Mulberry Place, 5 Clove Crescent, London, E14 2BG
Tel: 020 7364 4877
E-mail: Zoe.Folley@towerhamlets.gov.uk
Web: <http://www.towerhamlets.gov.uk/committee>

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Agenda Item	Item Name	Scrutiny Questions and responses
6.1	Local Community Fund	<p>1. <i>Is there any duplication of funding in terms of organisations that were recommended for LCF funding also receiving an extension? How is this being managed?</i></p> <p>Organisations recommended for funding on LCF will be delivering different activities to those proposed for extension. Only 4 organisation has been recommended for funding from LCF where there is duplication and these organisations are therefore not recommended for contract extension (Community of Vietnam Refugees, St Hilda’s, Age UK & Toynbee Hall)</p> <p>2. <i>What further support is being offered to organisations unsuccessful in the LCF process?</i></p> <p>Details of further support is set out in Appendix B of the report which includes the development of action plans with organisations, refereeing to CVS for capacity building support and development of funders forums.</p>
6.2	ESF Community Employment Programme Update	<p>1. <i>What happens to the funding that is unallocated now that there are no more funding rounds? Can it be used for another purpose? If so, what?</i></p> <p>Any unallocated funding will come back to the Council. Of the £225,000 per round (£675,000 total) matched by LBTH it looks at the moment around £192k will be unallocated. There is also the possibility of under spends within the rounds.</p> <p>This funding is part of the Corporate Match Funding (CMF) budget which is to support the VCS. With the mitigation measures identified for the move from MSG to LCF including new themes in the small grants programme and additional provision being developed around</p>

		<p>young people’s mental health, young carers etc. the actual usage of this part of the CMF budget is dependent on the needs identified following this mitigation. A further paper would come to the Grants Determination Sub-Committee for any new programme proposals using this budget.</p>
6.3	<p>Community Benefit Rent Reduction Update</p>	<p>1. <i>Did organisations have to provide evidence demonstrating their commitment to the Equality Act 2010 as part of the rent reduction assessment process?</i></p> <p>Part of the criteria for assessment is that the organisation should have a quality standard or accreditation. Equalities and diversity are assessed as part of these standards, for example Matrix Standard and London Youth.</p>
6.4	<p>MSG Project Performance Report – Extension Period 03 (April to June 2019)</p>	<p>1. <i>Has there been any additional resource required to manage the Toynbee Hall, Wellbeing in Tower Hamlets project improvement plan since January 2019? If so, has this had an impact?</i></p> <p>The project improvement plan sets out the actions to get the project back on track. There has been no indication that the organisation is using additional resources for this. The project negotiated new activities and outcomes for the extension period and unfortunately the project did not achieve its agreed targets for the first period of the extension. This led to the Project Improvement Plan being developed and improvement did happen but so far only to an Amber status.</p>
6.5	<p>Schools Energy Retrofit Programme – phase 2</p>	<p>1. <i>What work has been done to ensure all schools in the borough are aware of this opportunity?</i></p> <p>Once approval has been given for the programme all schools in the Borough will be made aware of this opportunity via the Head Teachers Bulletin that is sent out every week. This was very effective in reaching all the schools during the first phase of this programme.</p>

		<p>In addition a number of schools have contacted us in the last few months asking if any funding is available and we made them aware that there we are in the process of setting up the next round of funding which would be available in the autumn subject to the Councils Grant Committee approval and we would contact them when the programme was launched.</p> <p>2. <i>Is there an aim to target particular schools (who may be in greater need) and/or achieve a fair geographic spread across the borough?</i></p> <p>The aim of the programme is not to target any particular schools or necessarily a fair spread across the borough as the aim of the programme is to achieve the highest carbon reductions with the funding available. As this funding is coming from the Carbon Fund the remit of the funding is about achieving carbon reductions so that is the number one priority. This is taken into consideration with other factors such as any other additional benefits of the project.</p> <p>3. <i>What assistance (if any) is being offered for schools apply for this and provide supporting evidence?</i></p> <p>Schools will be supported the whole way through the process just as they were in the first phase of the programme.</p> <p>Firstly there will be a three week expression of interest window where schools have an opportunity to just outline the project they would like to carry out. There is no need for technical information or quotes at this stage we just ask for schools to give some estimates on costs and outputs of the proposed project. There is a 3 week window for this to ensure that all schools have a fair chance to submit an interest. However if a school come to us saying they needed more time then we would help them with that as we want to help schools in any way we can.</p>
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After these interests have been submitted we will go through the submissions along with the Building Development Team in Children Services and select the projects that will achieve the best outputs in terms of carbon reduction and value for money and if there are any other additional benefits to the proposed projects.

Once the schools have been selected we will then support them through the formal application stage. This involves, if they require it, support to obtain quotes for the project, help in analysing the quotes, completing the application form for the grant and any other support the school may require.

Additional information request -

- List of schools funded in phase 1

School	Project	Total Project cost	Carbon Offsetting grant	KWh saving	CO2 reduction (tCO2)	COF £ per tonne CO2
Olga Primary School	LED Lighting Upgrades	£59,285.07	£30,000	61,000	21.53	£1,393.40
Osmani Primary	LED Lighting Upgrades	£35,255.56	£30,000	Works Currently Ongoing to be completed Sep 2019		
Cubitt Town Infants	LED Lighting Upgrades	£50,061.58	£30,000	34,707	12.2	£2,459.02
Cubitt Town Juniors	LED Lighting Upgrades	£64,432	£30,000	38,463	13.5	£2,222.22
Lansbury Lawrence	LED Lighting	£35,999	£30,000	78,585	30.89	£971.19

			Upgrades					
		Lawdale Juniors	LED Lighting Upgrades	£15,364.00	£15,364.00	34,891	20	£768.20
		Oaklands	LED Lighting Upgrades	£28,239.98	£28,239.98	50,868	26.96	£1,047.48
		Arnham Wharf	LED Lighting Upgrades	£26,396.2	£26,396.2	38,231	14.68	£1,798.09
6.6	<p>Goodman’s Fields Health Centre – to approve the additional grant funding of £2,055, 526 from £4,824,474 (incl. VAT) to £6,880,000.00 (incl. VAT)</p>	<p>1. What was the key difference between the CCG’s internal estimate and the consultants? What actions have been undertaken to prevent this type of deficit occurring again?</p> <p>The original grant fund for Goodman’s Fields was an initial estimate conducted by the CCG in order to progress the application to LBTH for support. The CCG has until recently provided in-house initial estimates on all PIDs which were benchmarked against prior schemes. This was because an appropriate funding stream has to be identified and approved before they are able to appoint external consultants, progress design and enter into detailed negotiations with developers. In this case the estimate was then revised as we enter into the design phases before construction.</p> <p>The CCG have undergone changes to their feasibility processes and have started to commission an external quantity surveying consultant (AECOM) to provide a more comprehensive estimates allowing for a greater proportionate contingency which will go some way to preventing this type of deficit occurring again in future.</p> <p>The LBTH Infrastructure and Development Viability Officer was consulted on this proposal who felt the additional £2m seems to be justified.</p>						

<p>6.7</p>	<p>Wood Wharf Health Centre - To approve the grant funding of £5,780,000.00 (incl. VAT)</p>	<p>1. How is this total broken down, the amount seems excessive for a 12 month long fit out of a 1,076 sqm space? The cost normally based on HPCG (health premise cost guide) would be £2,800-3,500 per sqm for fit out i.e. maximum = £3,766,000 not incl VAT</p> <p>The Health Premises Cost Guides (HPCG) 2010 guidance is rather dated and every project is specific with its own challenges. The NHS have benchmarked against previous projects to learn lessons.</p> <p>2. What else is in the project cost and who has calculated it?</p> <p>There is a lot involved in addition to construction works e.g. professional fees (architects, quantity surveyors and a variety of other specialists) and all the fittings, furniture and equipment that a modern health centre is not able to function without. AECOM have costed the project for THCCG and have confirmed it is a robust estimate allowing sufficient contingencies. The full detail of the project cost breakdown is as per the AECOM estimate (set out below).</p> <p>3. If the CCG spend less than £5,780k are they obligated to return any excess to us?</p> <p>As we don't passport a lump sum and only pay based on invoices, we would only pay for spend incurred and any residual balances would be retained and reprogrammed like we have done for Maximising Health Infrastructure and William Cotton.</p>
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AECOM Costing Breakdown -

Wood Wharf Health Centre		AECOM		
Feasibility Estimate				
June 2019				
COST SUMMARY	Area m ²	£/m ²	£	Notes
0.0 Facilitating Works	1,056	£ -	0	None Required
1.0 Substructure	1,056	£ -	0	None Required
2.1 Frame & Upper Floors	1,056	£ -	0	None Required
2.3 Roof	1,056	£ -	0	None Required
2.4 Stairs	1,056	£ 8	8,000	Handrail / Balustrade only
2.5 External Walls, Windows & Doors	1,056	£ 24	25,000	New Entrance Door only
2.6 Internal Wall, Partitions and Doors	1,056	£ 284	299,600	
3.1 Wall Finishes	1,056	£ 69	72,500	
3.2 Floor Finishes	1,056	£ 67	71,100	
3.3 Ceiling Finishes	1,056	£ 103	108,900	
4.0 FF&E (Group 1 and fitting Group 2)	1,056	£ 105	110,880	
5.0 Services	1,056	£ 1,171	1,236,576	
6.0 External Works	1,056	£ -	0	None Required
Sub Total - Measured Works		£ 1,830	1,933,000	
a Pre Construction Services			0	Excluded - Traditional
b Preliminaries - 8 months @ £10,000/week		17.9%	346,000	
c OH&P		7.0%	160,000	
Sub Total - Including Preliminaries and OH&P		£ 2,310	2,439,000	
d Design Contingency		15.0%	366,000	
e Construction Contingency		10.0%	281,000	
f Client Contingency		10.0%	309,000	
Sub Total - Including Contingencies		£ 3,215	3,395,000	
g Inflation - to mid point of construction, assumed Q1 2022		5.66%	190,000	2.5 years to mid-point
Sub Total - Estimated Construction Cost		£ 3,395	3,585,000	
Project Costs				
Project Development Fee			107,550	3% of Construction Total
Consultant Fees & Surveys			425,000	Allowance - no quotes
Group 3 and 4 Equipment			260,000	CCG Advised
THCCG Customer Capital - Including Contingency			288,600	CCG Advised
BREEAM - High Level Allowance			150,000	Allowance - no information
Car Parking Allowances (Space Purchase / Electric Charging Rental)			Excluded	CCG Advised
Project Cost Risk Allowance			Excluded	
Total - Estimated Project Cost, Say		£ 4,561	4,816,000	Excl. VAT
VAT - Allowance at 20% of all costs			963,200	VAT advice required
Total - Estimated Project Cost, Say		£ 5,473	5,780,000	Incl. VAT
Distribution of Costs				
<ul style="list-style-type: none"> ■ Stairs ■ External Walls, Windows & Doors ■ Internal Wall, Partitions and Doors ■ Wall Finishes ■ Floor Finishes ■ Ceiling Finishes ■ FF&E (Group 1 and fitting Group 2) ■ Services 				

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