

# MAYOR'S EXECUTIVE DECISION MAKING

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Tuesday, 30 April 2013

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Mayor's Decision Log No. 0028

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1. **UNITE COMMUNITY CENTRE - SHADWELL (Pages 1 - 10)**

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# Agenda Item 1

<p align="center"><b>Individual Mayoral Decision Proforma</b></p> <p align="center">0028</p> <p>Decision Log No: <del>(To be inserted by Democratic Services)</del></p>	 <p align="center"><b>TOWER HAMLETS</b></p>
<p><b>Report of:</b> Aman Dalvi, Corporate Director Development and Renewal</p>	<p><b>Classification:</b> Unrestricted</p>
<p align="center"><b>Unite Community Centre - Shadwell</b></p>	

<b>Is this a Key Decision?</b>	<b>No</b>
<b>Decision Notice Publication Date:</b>	(Report author to state date of decision notice – either individual notice or within the Forward Plan)
<b>General Exception or Urgency Notice published?</b>	<b>Not required</b>  (Report author to delete as applicable)
<b>Restrictions:</b>	(If restricted state which of the exempt/confidential criteria applies)

## EXECUTIVE SUMMARY

- 1.1 Unite the Union is intending to open a community centre in the basement of St George's Town Hall, Shadwell aimed primarily at the residents of Shadwell and the immediately surrounding wards.
- 1.2 The key aim of the centre will be to assist the borough's economically inactive residents to engage in work-related activity so they feel able to claim the benefits to which they are entitled, take part in training courses that may improve their employability, and ultimately have the confidence to seek out paid employment.
- 1.3 The centre will provide standard accredited qualifications such as skills for life and ESOL courses, as well as employability services like CV writing and interview tips. These will be supplemented by advice services like legal advice and debt management. Residents from all communities will be encouraged to use the centre, as its principle aim is to reduce unemployment across all sections of the borough. The project is seeking £64,000 from the Council which is to be matched by £140,000 by Unite and £60,000 from Barclays.
- 1.4 The award is not considered a key decision as it represents less than 1% of total annual grant awards being made this financial year.

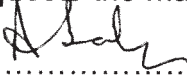
## DECISION SOUGHT

The Mayor is recommended to Agree an award of £64,000 to Unite the Union as a match funded contribution to the set-up of the community centre in the basement of St George's Town Hall, Shadwell in view of the benefits it can provide in terms of employability preparation and skills to local residents.

**APPROVALS**


**1. (If applicable) Corporate Director proposing the decision or his/her deputy**

I approve the attached report and proposed decision above for submission to the Mayor. The attached report has been approved by the Corporate Grants Programme Board for approval by the Mayor. This paper requests the mayor to approve the proposals.

Signed  ..... Date 25/4/2013

**2. Chief Finance Officer or his/her deputy**

I have been consulted on the content of the attached report which includes my comments.

Signed  ..... Date 25/4/13

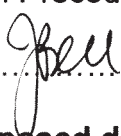
**3. Monitoring Officer or his/her deputy**

I have been consulted on the content of the attached report which includes my comments.

(For Key Decision only – delete as applicable)

I confirm that this decision:-

- (a) has been published in advance on the Council's Forward Plan OR
- (b) is urgent and subject to the 'General Exception' or 'Special Urgency' provision at paragraph 18 or 19 respectively of the Access to Information Procedure Rules.

Signed  ..... Date 29/4/13

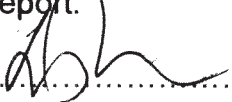
**4. (If the proposed decision relates to matters for which the Head of Paid Service has responsibility) Head of Paid Service**

I have been consulted on the content of the attached report which includes my comments where necessary.

Signed ..... Date .....

**5. Mayor**

I agree the decision proposed above for the reasons set out in the attached report.

Signed  ..... Date 29/4/13

## DECISION

I have considered the above information and advice on the award of a grant of £64,000 to Unite to contribute to the operations of a community centre in the basement of St George's Town Hall Shadwell.

I have considered whether or not this is a Key Decision under Article 13 of the Constitution. In making this decision I am of the view that:-

- The application represents less than 1% of the total annual grants awards being made this financial year.
- The funding decision is not of such import to result in substantial public interest.

In light of the above and taking all other considerations in to account, I am content that the decision to make the award of a grant of £64,000 is a non key decision.

I have decided to accept the recommendation of the Corporate Grants Board and I agree that an award of £64,000 is made to Unite


My decision is based on the following reasons:-

- The application has been assessed in accordance with the processes for Corporate Grants and is recommended by the Corporate Grants Board.
- The project represents excellent value for money in the light of the contributions being made by Unite and Barclays.
- The project is a worthwhile project which will assist disadvantaged residents.
- The project's stated objectives of assisting economically inactive residents to engage in work related activities and so improve their employability is in line with the Council's Objectives.

Signed .....  .....

Executive Mayor

Dated ..... 29/4/13 .....

<p><b>Individual Mayoral Decision</b></p> <p><b>Corporate Grants Programme Board</b></p>	 <p><b>TOWER HAMLETS</b></p>
<p><b>Report of:</b> : Corporate Director (Development &amp; Renewal)</p> <p>Originating Officers  Dave Clark (Interim Service Head Resources D&amp;R)  Martin Ebbs (Interim Third Sector and External Funding Manager)</p>	<p><b>Classification:</b>  Unrestricted</p>
<p align="center"><b>Unite Community Centre, Shadwell</b></p>	

<b>Lead Member</b>	<b>Alibor Choudury</b>
<b>Wards affected</b>	<b>Shadwell, St Katherine's and Wapping, Stepney and Whitechapel and borough-wide</b>
<b>Community Plan Theme</b>	<b>A Prosperous Community</b>

## **1. EXECUTIVE SUMMARY**

- 1.1 Unite the Union is intending to open a community centre in the basement of St George's Town Hall, Shadwell aimed primarily at the residents of Shadwell and the immediately surrounding wards.
- 1.2 The key aim of the centre will be to assist the borough's economically inactive residents to engage in work-related activity so they feel able to claim the benefits to which they are entitled, take part in training courses that may improve their employability, and ultimately have the confidence to seek out paid employment.
- 1.3 The centre will provide standard accredited qualifications such as skills for life and ESOL courses, as well as employability services like CV writing and interview tips. These will be supplemented by advice services like legal advice and debt management. Residents from all communities will be encouraged to use the centre, as its principle aim is to reduce unemployment across all sections of the borough. The project is seeking £64,000 from the Council which is to be matched by £140,000 by Unite and £60,000 from Barclays.

## **2. RECOMMENDATIONS**

The Mayor is recommended to:

- 2.1 Agree an award of £64,000 to Unite the Union as a match funded contribution to the set-up of the community centre in the basement of St George's Town Hall, Shadwell in view of the benefits it can provide in terms of employability preparation and skills to local residents.

#### **4. REASONS FOR THE DECISIONS**

- 4.1 Tower Hamlets is one of the most impoverished areas in the UK. Unemployment has reached 13.2% in the borough, making it the third highest of all the London Boroughs and fifth out of 415 regions and local authorities in the UK.
- 4.2 The borough has the highest level of youth unemployment in London, the highest rate of child and pensioner poverty in the UK, and rates of economic activity rates for women that are 'much lower' than the London average. Illiteracy among children in Tower Hamlets is as high as 1 in 3, and 22% of the borough's children speak English as a second language.
- 4.3 However one of the most pressing issues facing the borough at the moment is economic inactivity – in other words, those who are not seeking employment, claiming employment-related benefits or in any form of education or training. According to the council's own figures, approximately a third of the borough's population seeking work is economically inactive. A further 39,700 are claiming benefits and are thought to be not actively seeking work.
- 4.4 A significant proportion may be prevented from becoming economically active by personal circumstances including lack of confidence, poor numeracy and literacy, speaking English as a second language poor communication skills, cultural differences, and alienation from the employment system.
- 4.5 The key aim of the centre will be to assist the borough's economically inactive residents to engage in work related activity so they feel able to claim the benefits to which they are entitled, take part in training courses that may improve their employability, and ultimately have the confidence to seek out paid employment.

#### **5. ALTERNATIVE OPTIONS**

- 5.1 Alternative options would be either to not fund the project and divert funds elsewhere or to invite applications from a wider group of local organisations to deliver the benefits proposed in the Unite proposal.
- 5.2 However, this project is of particular interest to the borough as a means of accelerating the path to employment, which is a critical need within the borough given Unite's experience in running entry level courses, integration of employability skills into educational courses and given its wide relationships with employers.

## **6. BACKGROUND**

- 6.1 The full Cabinet meeting which took place on 7th March 2013 approved a budget proposal for a funding contribution to the proposed set up of a community centre by Unite the Union in Shadwell. The project is seeking £64,000 from the Council which is to be matched by £140,000 by Unite and £60,000 from Barclays.
- 6.2 The proposed funding from the Council will be from the one off £0.954m Mainstream Grants fund set up at the Cabinet meeting of 20th June 2012. The grant application will therefore be handled in line with the established Mainstream Grant programme management process. Third Sector Team officers have reviewed the project proposal, gained clarification on various outstanding points, assessed, scored and moderated the application in accordance with these procedures prior to taking it forward for approval.

## **7. BODY OF REPORT**

- 7.1 Unite the Union is intending to open a community centre in the basement of St George's Town Hall, Shadwell. The centre will initially be aimed at the residents of the immediate areas of Shadwell, St Katherine's and Wapping, Stepney and Whitechapel, but is intended to be a borough-wide project that will be expanded across the whole of Tower Hamlets as it develops.
- 7.2 The centre will primarily be aimed at the unemployed and economically inactive population of Tower Hamlets and plans in particular to target and engage young people, women, older people, Bangladeshi and Somali residents.
- 7.3 The key aim of the centre will be to assist the borough's economically inactive residents to engage in work-related activity so they feel able to claim the benefits to which they are entitled, take part in training courses that may improve their employability and ultimately have the confidence to seek out paid employment.
- 7.4 The centre will provide standard accredited qualifications such as skills for life and ESOL courses, as well as employability services like CV writing and interview tips.
- 7.5 These will be supplemented by advice services like legal advice and debt management, to alleviate the short term effects of poverty in the borough, and to establish the centre as somewhere residents can trust to help tackle worklessness in a holistic and humane way.
- 7.6 These services will correspond with the council's current Welfare Reform programme of monetary and debt advice provision, which focuses particularly on those most affected by the impending welfare changes and Housing Benefit Cap coming into force in September 2013. Toynbee Hall, which will be



providing advice services to the centre, are an integral part of this process and will be the conduit for joined up working.

- 7.7 The project will assist any resident of the borough who seeks advice, bearing in mind that the needs of short and long term unemployed residents are different and require differing solutions. The project will ensure that those attending courses who have been long-term unemployed will not be prevented from attending workfare or similar government initiatives which could incur sanctions.
- 7.8 The centre will have particular sensitivity to issues of social exclusion, especially among young people and women. Residents from all communities will be encouraged to use the centre, as its principle aim is to reduce unemployment across all sections of the borough. The project will use Unite's developing relationships with local providers and Jobcentre Plus to ensure joined up approach and continuity of support.
- 7.9 Unite the Union can clearly bring an extensive level of expertise to this project, given its experience in running entry level courses, integration of employability skills into educational courses and given its wide relationships with employers. Experience with youth, migrant workers and disaffected communities is also notable.
- 7.10 Unite also offers considerable non-accredited learning, which is crucial for the most basic or under-confident learners as it is a highly effective way of introducing new learners into education without the pressure of formal assessment. Many education providers are unable to provide this because their funding is contingent upon formal targets.
- 7.11 The project will support the Community Plan theme of A Prosperous Community through:
- Supporting more people into work
  - Supporting residents through national welfare reform
  - Improving educational aspiration and attainment
- 7.12 Unite has demonstrated an understanding of the strategic context of this project and the need to fit with the Council's Employment and Enterprise Strategy. They have set out a methodology for combining advice (including welfare advice), guidance, employability preparation and learning provision to assist the economically inactive and unemployed.
- 7.13 The project is seeking £64,000 from the Council which is to be matched by £140,000 by Unite and £60,000 from Barclays.
- 7.14 The project will last for two years. Projected outputs are as follows.

No. of learners taking Skills for Life courses	300
No. of learners taking other forms of learning, including art, drama,	100

dance and non-accredited learning	
Clients receiving debt / employment / legal / welfare support	1000
Clients using the centre to receive advice from the Tenants Federation	1000

7.15 As regards forward strategy, Unite the Union is already examining alternative sources of funding to ensure the long-term sustainability of the centre.

These include:

- **The People's Operator (TPO)** – Unite is a founding partner in this new not-for-profit mobile phone network. 25 per cent of TPO's turnover will be given to charities and good causes for work through the TPO Foundation. The TPO Foundation is a transparent and independent legal entity run by trustees. It has been set up to award funds to organisations, local communities and charities that are trying to make a positive difference to people's lives.
- **The Henry Smith Charity** – This charity provides grants for organisations work with groups experiencing social and/or economic disadvantage, and for work that tackles problems in areas of high deprivation.
- **Financial sector** - Unite has already been successful in winning a grant for £50,000 from Barclays Bank to kit out the IT suite. The union will also apply to major employers based in Canary Wharf whom the union has constructive relationships with including HSBC, NatWest and LloydsTSB banks.

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

- 8.1 This report seeks Mayoral approval to contribute £64,000 of resources to the Unite Union to support the opening of a community centre in St George's Town Hall. The grant contribution will be made from the Mainstream Grants Fund of £954,000 that was established by Cabinet in June 2012, and will supplement the funding of £140,000 that Unite are contributing to the project as well as a Barclays Bank commitment of £60,000.
- 8.2 This proposal was supported as part of the 2013-14 budget process and there are sufficient resources available within the 'one-off' £954,000 funding award to support this commitment.
- 8.3 St George's Town Hall is a Council asset that is currently leased to a third party. Unite will be entering an agreement to develop the basement of the site, but this will not affect the Council's income because the lessee is already paying for this asset.

## **9. COMMENTS OF THE ASSISTANT CHIEF EXECUTIVE (LEGAL SERVICES)**

- 9.1 Section 1 of the Localism Act 2011 gives the Council a general power of competence to anything that individuals generally may do unless specifically prohibited by law. This power may also support the giving of grants to community groups.
- 9.2 In exercising this power, the Council should have regard to its strategy set out in its Community Plan.
- 9.3 Officers must be careful to ensure that the conditions relating to the payment of the grant are complied with. Also officers must take care to ensure that Unite has secured an agreement with the third party concerned to run the centre from the proposed location.

## **10. ONE TOWER HAMLETS CONSIDERATIONS**

- 10.1 The contribution of Third Sector organisations to delivering One Tower Hamlets is explicitly recognised in the Council's Third Sector Strategy. Organisations play a key role in delivering services that address inequality, improve cohesion and increase community leadership: the deliveries of these services are real examples of 'One Tower Hamlets' in practice.
- 10.2 The opportunities offered through this allocation will play a key role in delivering the aims of One Tower Hamlets.

## **11. SUSTAINABLE ACTION FOR A GREENER ENVIRONMENT**

- 11.1 The funding priorities outlined in this report support the spirit of SAGE. The Council as a funder of third sector proposals that meet these priorities assists in the implementation of the strategic aims of SAGE along with its community and voluntary sector partners.

## **12. RISK MANAGEMENT IMPLICATIONS**

- 12.1 A number of different risks arise from any funding of external organisations.
- 12.2 The key risks are:
- The funding may not be fully utilised i.e. allocations remain unspent or outcomes are not maximised;
  - The funding may be used for purposes that have not been agreed e.g. in the case of fraud;
  - The organisations may not be able to secure additional funding necessary to deliver the agreed activities;

- The organisation may not in the event have the capacity to achieve the outputs and outcomes required.

### **13. CRIME AND DISORDER REDUCTION IMPLICATIONS**

- 13.1 The services that will be provided through this programme covers a broad spectrum of activities some of which are key drivers in contributing to the reduction in crime and disorder, in particular, improving community cohesion.

### **14. EFFICIENCY STATEMENT**

- 14.1 The commissioning framework provides greater transparency and clarity in the delivery of desired outcomes along with cost of providing those outcomes to facilitate more efficient alignment of funding allocations.

- 14.2 The proposed funding priorities which are clearly linked to delivering outcomes as set out in the Strategic Plan and Community Plan will deliver better outcomes for local people within existing resources, through for example:

- Giving priority to organisations and schemes, that promote social inclusion by reducing social exclusion
- Supporting service providers who deliver cost effective services that benefit the local community and meet the needs of the area.

### **15. APPENDICES**

None