


<b>Grants Determination (Cabinet) Sub-Committee</b>  <b>24<sup>th</sup> October 2017</b>	 <b>TOWER HAMLETS</b>
<b>Report of:</b> Ann Sutcliffe Interim Corporate Director (Place)	<b>Classification:</b> [Unrestricted or Exempt]
<b>Ocean Regeneration Trust grant funding 2017/2018</b>	

<b>Originating Officer(s)</b>	John Coker
<b>Wards affected</b>	St Dunstons
<b>Key Decision?</b>	No
<b>Community Plan Theme</b>	A Great Place to Live

## EXECUTIVE SUMMARY

This report updates the Grants Determination Sub-Committee on the need for ongoing socio-economic improvements and investment into the Ocean Estate through agreed funding structures administered by the Ocean Regeneration Trust (ORT). The ORT has been set up in accordance with New Deal for Communities (NDC) succession and legacy requirements as a vehicle for ongoing local regeneration. Since the "Ocean NDC Succession Strategy, 2010 and Beyond" was agreed by Cabinet in November 2009 there have been a number of changed circumstances which make fulfilling the Council's obligations impracticable. This report explains those circumstances and the decisions required to fulfil the spirit of the submissions made to get funding for the scheme.

## RECOMMENDATIONS:

The Sub-Committee is recommended to:

1. Authorise the Corporate Director, Place to make a payment to ORT of £80,000 in the financial year 2017/2018.

## 1. REASONS FOR THE DECISIONS

- 1.1 The Trust was granted funding of £80k p.a. for 3 years which finished in March 2017. The funding ceased as it was intended at the time of writing the original report that the rental income from the north side shops would have commenced. However, this did not happen and it is now estimated that the funding will start from the second quarter 2018. The request for the interim payment will give assurance to ORT that they can continue with their

activities and in particular their partnership with City Gateway for the current financial year.

## **2. ALTERNATIVE OPTIONS**

- 2.1 The Council could delay paying ORT until funding comes through from the retail units on the north side of Ben Jonson Rd. This delay would pose a risk to the partnership between ORT and City Gateway. This project delivers women only services and runs courses in ESoL, leadership, ICT and child care for local women on the Ocean and the wider area. They also offer volunteering opportunities and engage with organisations in Canary Wharf who support the women learners through opportunities such as a literacy lunch.
- 2.2 The Council could seek to reduce the amount of the grant offer. However, this option would impact negatively on the delivery of the women's services. £80k has been a recognised sum that can support the current delivery.

## **3. DETAILS OF REPORT**

- 3.1 Detailed information on the ORT has previously been submitted to grants panels for approval. To recap:
- 3.2 In summary the ORT has received funding as follows:

- £300k for the first 3 years from legacy NDC funding covering years 2010 – 2013. This was set aside from the NDC programme to set up the legacy organisation.

Thereafter funding was derived from rental income from the retail units on the south side of Ben Jonson Rd at £80k pa. Years 2013 – 2015 the funding was reduced to £50k in order for the Council to fund the running of the Harford St community centre. However, a Commissioners report of December 2015 advised that ORT should receive the full amount of £80k, the amount previously identified for the Trust to receive.

- £50k for years 2013/2014 and 2014/2015
- £80k for years 2015/2016 and 2016/2017

- 3.3 Since November 2011 ORT has established links in the community. The Trust has an annual community grant fund of £40k to which organisations can apply for up to £5,000 for single projects or £10,000 for projects delivered in partnership with other organisations in the area. An example of local organisations that received grants were Stepney City farm, Half Moon

Theatre, local football clubs, chiropody clinic and garden clubs for older people. Their main partnership is with City Gateway, which is based on the first floor of the Multicentre and works closely with the Trust on a programme of specialist women's services. This has embedded the Trust further into the identity of the centre. Delivery has been in the form of:

- Services primarily aimed at the most disadvantaged women and families in Ocean Estate and the surrounding area;
- Engage, mentor and train the most excluded individuals;
- Bring together different groups and cultures, and work against conflict and division;
- ESOL, literacy, numeracy, and apprenticeship sessions every week
- Innovative community development programmes – Advice Champions, Health Café and Advice Cafe
- Employment development workshops, including CV writing and Apprenticeships

3.4. In addition the Trust works with Tower Project who runs the Ocean View café on the ground floor of the Centre. Tower Project work with people with learning and physical disabilities; they take clients on for a period of 6 to 9 months and deliver barista style and other café skills training. To date the café has provided training opportunities in hospitality and catering to over 30 young people and adults with learning disabilities from LBTH. These opportunities have ranged from short sessions in barista training to six month volunteering programmes; of these people 8 people have been employed in paid positions of at least 6 month at the café.

### 3.5 ***Ocean Regeneration Trust Delivery 2017-2022***

3.5.1 In May 2016 the Ocean and Limehouse Community Review was completed on the Ocean and Limehouse Fields estate, to examine how services were delivered locally. The review identified the need for greater community capacity and involvement, address gaps in services, better integration of services and stronger governance.

3.5.2 These included -

- Persistent low employment levels, particularly for women and some ethnic minorities;
- High levels of child poverty and the impact of welfare benefit changes on an already deprived community;
- Local people priced out by spiralling housing prices and the danger of a polarised community;
- Low levels of health and life expectancy;
- Growth and development impacting on local infrastructure and services;
- The need to be vigilant and tackle the potential for radicalisation and extremism; and

- A further programme of austerity and public sector cuts arising from the Spending Review and a consequent Medium Term Financial Strategy savings target of £59 million over the next three years to 2020.

The review recommended that ORT be the lead body in delivering the actions that have arisen. The ORT will develop a detailed action plan based on the above issues, which will be monitored by LBTH. See Appendix 1 with outline details of the actions. The Community Review was endorsed by the then Cabinet Member for Strategic Housing, the Cabinet Member for Housing, Faith Communities and Welfare Reform and Cabinet Member for the Environment.

### 3.6 ***Grant Outputs***

The £80k grant will contribute to the all-inclusive rent of £41,943. The remaining £38,057 will be invested in supporting City Gateway's delivery of classes (staff costs and supplies) until end of academic year 2018.

### 3.7 ***Monitoring***

The Housing Regeneration team will monitor the services delivered through quarterly meetings to monitor spend and outputs. This will be reported back to the Grants Determination Sub-Group Register.

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

- 4.1 This report seeks the approval of the Grants Determination Sub-Committee to allocate funding of £80,000 to the Ocean Regeneration Trust (ORT) for the 2017-18 financial year pending longer term grant arrangements being put in place for future years.
- 4.2 The ORT was created in May 2008 to own assets and receive income generated from the Ocean estate regeneration scheme to use for the benefit of the local community. This included the income for the new retail units on the north side of Ben Jonson Road.
- 4.3 The ORT occupies Council premises at Harford Street under the terms of a licence that was approved by the Commissioners on 29<sup>th</sup> April 2015. The Trust pays a market rent for the property from its own resources which are in part dependent upon this Council grant funding.
- 4.4 Under agreements previously entered into as part of the Ocean NDC succession plan, the Trust will receive funding from the Council in the form of the rental income generated from the retail units on the north side of Ben Jonson Road. These units have been developed by Bellway as part of the Ocean Estate regeneration scheme, and Bellway (as freeholder) has granted a long lease for the units to the Council which in turn will lease the units itself to retailers. Delays in letting the units, together with the various rent free periods that will apply, mean that income is not likely to be generated until 2018-19. It is therefore proposed that the existing grant arrangements are extended for another year, funded from the income received from the

existing retail units on the south side of Ben Jonson Road. These receipts remain earmarked for the ORT until the new lease arrangements for the shops on the north side of the road come into effect.

- 4.5 In accordance with Council policies, the onward transfer of these receipts should be treated as a grant payment and as such requires approval as part of the agreed grant awarding processes.

## **5. LEGAL COMMENTS**

- 5.1 Whilst there is no strict legal definition of grant, a grant is in the nature of a gift and is based in trust law. However, grants are often given for a purpose so it is sometimes unclear whether a grant has been made or the arrangement is a contract for services.
- 5.2 There will be many grants which are made by the Council for the purpose of discharging one of its statutory duties. However, as a grant is in the nature of a gift, it is considered there must be some element of discretion on the part of the Council as grantor as to whom a grant is made to and whether this is made. If the Council is under a legal duty to provide a payment to a specific individual or organisation, and cannot lawfully elect not to make such a payment, then that should not amount to a grant.
- 5.3 In this case, the Council is not under a legal duty to make the payment and the payment is therefore discretionary and a grant.
- 5.4 There is a need to ensure that the Council has the power to make the grants in question. In that regard, the proposed grants are supported by the Council's general power of competence. Section 1 of the Localism Act 2011 gives the Council a general power of competence to do anything that individuals generally may do, subject to specified restrictions and limitations imposed by other statutes.
- 5.5 When considering whether to approve the grant, consideration should be given to the arrangements in place to ensure that the power that is exercised is consistent with its best value arrangements. The Council is obliged as a best value authority under section 3 of 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" (the Best Value Duty). Paragraph 7 below considers this in further detail.
- 5.6 When implementing the scheme, the Council must ensure that no part of the funds issued represents a profit element to any of the recipients. The inclusion of profit or the opportunity of making a profit from the grant or third parties indicates that the grant is really procurement activity and would otherwise be subject to the Council's Procurement Procedures and other appropriate domestic and European law. This would mean therefore, that the Council would have failed to abide by the appropriate internal procedures and external law applicable to such purchases.

- 5.7 When making grants decisions, the Council must have due regard to the need to eliminate unlawful conduct under the Equality Act 2010, the need to advance equality of opportunity and the need to foster good relations between persons who share a protected characteristic and those who do not (the public sector equality duty). A proportionate level of equality analysis is required to discharge the duty and information relevant to this is contained in the One Tower Hamlets Considerations section of the report.

## **6. ONE TOWER HAMLETS CONSIDERATIONS**

- 6.1 The funding request for the ORT contributes to the Council's equality of opportunity aim. The proposed services enhance local residents' chances to broaden their role in society and the workplace.
- 6.2 Activities by the Trust will help promote good relations within the community as local people see the Trust for the benefit of residents and groups, particularly those who are more vulnerable in the community.
- 6.3 The ORT proposals aim to target all residents an equal opportunity to access the services that will potentially be provided.

## **7 BEST VALUE (BV) IMPLICATIONS**

- 7.1 The economic value of the ORT can be measured in the work to date e.g. community grants and the relationships they have built up within the Ocean community. To replace the Trust with another body in order to continue the socio-economic work started four years ago would need time and investment to restart the programme.
- 7.2 The ORT can deliver programmes efficiently through its partnership with City Gateway delivering programmes to support women in the community. In addition the Trust actively looks for community partnerships when assessing their small grant applications.
- 7.3 The Council is committed to the effectiveness of a local organisation such as ORT to deliver the ongoing socio-economic programme for the community with a focus that the council could not deliver on.

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

- 8.1 None

## **9. RISK MANAGEMENT IMPLICATIONS**

- 9.1 The ORT has been involved with community life on the Ocean for a number of years through the small grants programme, involvement with local organisations and through its development of the partnership with City

Gateway. If the Council grant was not awarded it could be perceived as the local authority not willing to support the local community and risk reputational damage to the council.

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

- 10.1 The Trust has a remit to engage with wider projects and organisations in the community. They actively link with the local Safer Neighbourhood teams and the Anti Social Behaviour (ASB) team within Tower Hamlets Homes to look at support for their efforts to reduce ASB in the community.

## **11. SAFEGUARDING IMPLICATIONS**

- 11.1 The Trust will support organisations who work with the most vulnerable in the community. It will actively promote engagement with excluded individuals and community development within the area.

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

#### **Linked Report**

- NONE

#### **Appendices**

- **Appendix 1 – Detailed information from previous grant reports**

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

- None

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

N/A