


Grants Determination Sub Committee	
3 July 2019	
Report of: Will Tuckley, Chief Executive	Classification: Unrestricted
MSG Project Performance Report – Extension Period 02 (January to March 2019)	

Lead Member	Councillor Candida Ronald, Cabinet Member for Resources and the Voluntary Sector
Originating Officer(s)	Robert Mee, Interim Voluntary & Community Sector Team Manager
Wards affected	All
Key Decision?	No
Forward Plan Notice Published	3 June 2019
Reason for Key Decision	Not a key decision
Community Plan Theme	All

Executive Summary

The Mainstream Grant (MSG) 2015/18 Programme was approved by the Commissioners on 29 July 2015 and was initially expected to be delivered from 1st September 2015 through to 31st August 2018.

At the 12th September 2017 Grants Determination Sub-Committee, the programme was extended to 31st March 2019.

A further extension to the programme, to the 30th September 2019, was agreed by the Grants Determination Sub-Committee at its meeting on the 6th June 2018.

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. Projects are classified as Red, Amber or Green within the Council's agreed performance management framework. This report covers Red and Amber rated projects only. Red or Amber performance ratings may be as a consequence of premises issues, debtor issues, performance issues, failure to submit the quarterly monitoring returns or a combination of these factors.

There were 109 live projects in January to March 2019, the second extension period. Project performance for this period (Jan-Mar 19) shows there are 3 Red rated projects and 1 Amber rated project.

Red rated projects:

Our Base – One Stop Youth Service

Shadwell Basin Outdoor Activity Centre – Girls Can Adventure

DeafPLUS – Employment for Deaf and Disabled People in TH (EDITH)

Amber rated projects:

Toynbee Hall – Wellbeing in Tower Hamlets

This report details these issues and provides recommendations for the Sub-Committee to consider.

Recommendations:

The Grants Determination Sub Committee are recommended to:

1. Note the performance of the Mainstream Grants (MSG) programme as set out in 3.3 – 3.7 and the premises update 3.8 – 3.10.
2. Agree the significant variation request as set out in 3.5.

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

2. ALTERNATIVE OPTIONS

- 2.1 Information relating to various aspects of project and monitoring activity is contained within the report to provide Grants Determination 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 Sub Committee could request further information or alter the recommendations.

3. DETAILS OF THE REPORT

- 3.1 For the reporting period January to March 2019, the MSG Programme had 109 live projects. This is the second period of the extension up to September 2019. The extension is for 13 months and is split into four reporting periods – Sep-Dec 18, Jan-Mar 19, Apr-Jun 19 and Jul-Sep 19.
- 3.2 The Red / Amber rated projects and the significant variation request were discussed at the Grants Spotlight Review meeting held on 24 May 2019.

3.3 General Programme Issues

There were issues that arose in the reporting period that had an impact on monitoring returns being submitted and delays in payments being made.

Debtors Condition

The Debtors Condition is a standard condition that applies to all of the Council's Grant Funding. For the MSG 2015-18 programme the process agreed with the Debt Recovery team is for the Debtor status of the organisations receiving MSG funding to be determined at one point in time early in the weeks following the period end. These are the debts that must be cleared before the next payment is raised.

For this period the debtors list was produced on 17 April 2019 which is slightly later than ideal. The Grant Officers work with the organisations to ensure that the debts can be cleared before the payments are raised.

The 'Debts' identified come from the Council's financial system which show Debtors. Invoices that have passed the due date are classed as in debt. Some invoices have the due date as the invoice date and there can be instances when an organisation is technically a debtor to the Council before they have received the invoice.

There have been concerns raised by organisations that 'debts' that are for small amounts and are for invoices that have only recently been raised are delaying payment of the MSG funding.

The delayed production of the Debtors List for this period has exacerbated the problem of delayed payments as there has been less time to work with groups to ensure outstanding invoices are paid before the grant is ready to be paid.

For the next reporting period the Debtors list will be produced week commencing 1 July 2019 well before the Monitoring Return deadline of 12 July 2019.

Local Community Fund

The Local Community Fund (LCF) is the successor programme to MSG with delivery from October 2019 to March 2023.

The LCF was open for applications in March with a deadline for submission 17 May 2019.

There were several MSG returns that were not submitted by the deadline and some of the reasons given included organisations prioritising their LCF bid.

3.4 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 53 live projects within this theme of which 2 are RAG rated Red.

The Red rated projects are:

Our Base – One Stop Youth Service

The Period 2 monitoring report was not received. Grant Officers carried out unscheduled visits to the two project delivery sites at Goulston Street and Tarling Centre but were unable to verify any activities taking place.

Shadwell Basin Outdoor Activity Centre – Girls Can Adventure

No Period 2 monitoring report has been received. A verbal update has been given by the organisation to confirm that the project is progressing well and the difficulty has only been around ensuring that the monitoring report was submitted. If this can be submitted and satisfactory performance confirmed the project can move to Green status.

The Rooted Forum – Youth INNIT

The Rooted Forum – Interventions without Borders

The organisation did not submit their MSG returns until well after the deadline. Originally rated Red as the return was outstanding the organisation has since submitted the return and was initially rated Amber due to the lateness of the return. The return was checked by Grant Officers and satisfactory performance confirmed. There had been staff changes at the organisation and the organisation overall was focused on the Local Community Fund so unfortunately the staff changes had not been communicated to the VCS Team.

Contact with the new Project Manager has now been established and the administration of the project is now back on track. The performance of the projects has continued to be satisfactory and the projects are now rated Green.

3.5 Theme 2 Summary – Routeways to Employment & Social Welfare Advice Services

The theme is split into two distinct areas of focus; the first being employability skills training which is formally referred to as Routeways to Employment. The other area focuses on delivering a range of social welfare advice services.

There are 20 projects within this theme of which 1 is RAG rated Red.

The Red rated project is:

DeafPLUS – Employment for Deaf and Disabled People in TH (EDITH)

The project has not been able to meet all the targets for the MSG extension period to date and do not believe they will be able to catch up before the end of the programme.

A significant variation request has been submitted proposing revised output targets to the end of the project.

The project has been struggling to deliver on several outputs and a factor in this is that their delivery partner has not been able to contribute to achieving the overall project targets.

The reduction of the following outputs is proposed:

Initial Engagement and Assessment
Work Placements
Volunteer Placements
Referral to Job Brokerage Services
Jobs Secured (for at least 4 weeks)

The requested variation will change the outputs and outcome. There will be less people in work or volunteer placements. This will mean that less people would have increased their skills and confidence to embark on their career. There will also be less people into jobs which will lead to less people reporting an increase in their overall wellbeing.

There is £19,060 left to pay the organisation (2 x £9,530) and a reduction in funding of £4,488 has been calculated by working out a unit cost for all 9 outputs and applying the reduction.

Appendix 2 lists all of the outputs and the proposed revisions along with information on the project and organisation.

Recommendation 1

Agree the significant variation to the DeafPLUS project to to revised the output targets. This will move the performance rating to Green and will enable approval of the outstanding payment.

Bromley by Bow Centre – Integrated Generalist Advice Service

The organisation had not met the standard Debtors Condition as there were invoices raised by the Council prior to the Debtors List being compiled on 17 April 2019 that had not yet been cleared. This has delayed the payment for this project. The assessment of the return showed that performance was satisfactory and the relevant invoices were cleared on 7 June 2019 so the project is now classed as Green and payment is being progressed.

3.6 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 33 live projects, 1 of which is rated Amber:

The Amber rated project is:

Toynbee Hall – Wellbeing in Tower Hamlets

The project had underperformed on several key indicators including the number of workshops taking place and the therefore the number of people supported in the period in the September – December 2018 period and was reported as Red.

The Grant Officer worked with the organisation and agreed a Project Improvement Plan to ensure that the project will get back on track. Performance has improved and is now rated Amber.

The Rooted Forum – Bridging the Gap

The organisation did not submit their MSG returns until well after the deadline. Originally rated Red as the return was outstanding the organisation has since submitted the return and was initially rated Amber due to the lateness of the return. The return was checked by Grant Officers and satisfactory performance confirmed. There had been staff changes at the organisation and the organisation overall was focused on the Local Community Fund so unfortunately the staff changes had not been communicated to the VCS Team.

Contact with the new Project Manager has now been established and the administration of the project is now back on track. The performance of the

projects has continued to be satisfactory and the projects are now rated Green.

3.7 Theme 4 Summary – Third Sector Organisational Development

Theme four consists of 3 projects. All projects within this theme have been RAG rated Green for performance 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

Premises

3.8 At the Grants Determination Sub Committee meeting on the 1st August 2018, it was agreed that subject to completion of an appropriate property agreement, the following organisations would receive a rent subsidy to cover the cost of rent up to the end of the MSG programme (30th September 2019). Officers are in the process of liaising with these organisations confirming the rent subsidy and next steps. In accordance with the decision on 1st August 2018, whilst this takes place, together with lease negotiations, MSG payments to these organisations continue subject to satisfactory performance:

- Age UK East London
- Bethnal Green Weightlifting Club
- Black Women's Health and Family Support
- Legal Advice Centre
- Stifford Centre
- Our Base
- Tower Hamlets Community Transport

3.9 Asset Management are working with the organisations to put in place appropriate property agreements. The position as at 24 May 2019 is:

Age UK East London

Contact made with tenants to complete lease. Aiming to complete within the next month.

Bethnal Green Weightlifting Club

Information has been received from the organisation. Further discussions are due to take place with the VCS Team and the club to discuss progress to qualify for a Community Benefit Rent Reduction application.

Black Women's Health and Family Support

Contact made with tenants to complete lease. Aiming to complete within the next month.

Legal Advice Centre

Draft lease has been issued on April 2019 and negotiations still ongoing.

Stifford Centre

Asset Management has had discussions with the Trustees of Stifford in July 2018 regarding lease options. The Trustees have decided to retain existing lease option until the rent reduction process starts. Asset Management are due to write to the Trustees in June 2019 regarding the lease options available before October 2019 when the rent reduction scheme starts.

Our Base

The Offer Letter setting out the Rent Subsidy amount and conditions is being drafted to fund the rent up to September 2019.

Tower Hamlets Community Transport

Rent subsidy agreed. Section 25 notice served. Legal services to confirm expiry date.

- 3.10 There are other MSG funded organisations in Council buildings that are not covered by the agreed Rent Subsidy scheme. The position of these is set out below:

Somali Senior Citizens Club

The lease to SSCC was completed April 2019

Splash (St Vincent's Porta- cabin)

Heads of terms has been issued for a new lease April 2019. SPLASH is in discussions with the VCS Team regarding the Community Benefit Rent Reduction Scheme.

Wadajir (Teviot Community Hall)

This is tied in with agreeing the general approach to granting leases to TRAs and how they will fund the various lease and occupational costs in order to make any agreement sustainable over the term granted and is still ongoing.

Wapping Bangladesh Association

A draft lease was issued to the tenant's solicitor March 2019 and confirmed instructions.

Weavers Community Forum

The lease has been extended until September 2019 in line with current MSG. Asset Management has started negotiation for a new lease beyond September by issuing heads of terms to Weavers on April 2019 and waiting for response.

4. EQUALITIES IMPLICATIONS

- 4.1 A strategic assessment was undertaken of the proposed MSG programme in April 2015. It focused on identified need (or beneficiaries) and the difference

between the MSG Programme 2013-15 and the proposed programme. Looking in particular at the potential impact of;

- Reduction in overall funding;
- Rationalisation of themes; and
- Introduction of locality boundaries

4.2 The programme continues to deliver against the themes developed to address the identified need.

5. OTHER STATUTORY IMPLICATIONS

5.1 This section of the report is used to highlight further specific statutory implications that are either not covered in the main body of the report or are required to be highlighted to ensure decision makers give them proper consideration. Examples of other implications may be:

- Best Value Implications,
- Consultations,
- Environmental (including air quality),
- Risk Management,
- Crime Reduction,
- Safeguarding.

One Tower Hamlets Considerations

5.2 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.

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.

The opportunities offered through the MSG Programme will play a key role in delivering the aims of One Tower Hamlets.

Best Value (BV) Implications

5.3 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.

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.

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.

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.

Agreement of the proposed rent subsidies will assist the Council in achieving the Best Value action plan in relation to the regularisation of lease arrangements with VCS organisations which occupy our premises.

Sustainable Action for a Greener Environment

- 5.4 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.

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.

Risk Management Implications

- 5.5 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

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.

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.

Crime and Disorder Reduction Implications

- 5.6 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.

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.

Safeguarding Implications

- 5.7 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.

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..]

6. COMMENTS OF THE CHIEF FINANCE OFFICER

- 6.1 The Main Stream Grant (MSG) Programme was approved by the Commissioners on the 29 July 2015 and initially covered the period between 1st September 2015 and 31st August 2018. However, subsequent Grants Determination Committees (GDC) revised the end date of the current programme to 30th September 2019, this was decided at a GDC meeting held on the 6th June 2018.
- 6.2 The Council's MSG programme is budgeted at approximately £3.049m per annum. Funding exists within individual directorate budgets to fully fund the agreed programme and associated payments until 30th September 2019.
- 6.3 At the conclusion of the MSG programme, there will need to be a full review of expenditure and income to determine the remaining funds available to deliver the post MSG programme in 2019/20. The current medium term financial plan assumes a proposed saving target of £330k between 2019 and 2022. If at the point of the review it is determined that there is the potential for incurring costs that exceed the current envelope, those additional costs will need to be approved using existing financial procedures and rules before any further commitments can be made.
- 6.4 Section 3 of this report highlights individual project performance and only identifies Toynbee Hall as failing to achieve key project milestones. The remaining projects have managed to achieve an acceptable level of performance.

7. COMMENTS OF LEGAL SERVICES

- 7.1 The decisions of the Commissioners relating to the Mainstream Grants were made at a time when the Council's grant function was being carried out by the

Commissioners. Therefore, the Council executive should still consider itself to be bound by those decisions.

- 7.2 The key requirement for the Council is to act reasonably and consistently with the advertised grant process and terms. In addition, the Council is bound by its Best Value duty to ensure that the grant funds are being used in accordance with the grant terms.
- 7.3 In the event that organisations are not performing in a manner consistent with those terms then the Council is entitled to take the variety of actions as highlighted in this report.
-

Linked Reports, Appendices and Background Documents

Linked Report

- None

Appendices

- Appendix 1 – Project Performance January – March 2019
- Appendix 2 – Significant Variation Request - DeafPLUS

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

- None

Officer contact details for documents:

Robert Mee, Interim Voluntary & Community Sector Team Manager

Phone: 020 7364 0487 **Email:** robert.mee@towerhamlets.gov.uk