


<b>Grants Determination Sub Committee</b>	
11 September 2019	
<b>Report of:</b> Will Tuckley, Chief Executive	<b>Classification:</b> Unrestricted
<b>MSG Project Performance Report – Extension Period 03 (April to June 2019)</b>	

<b>Lead Member</b>	<b>Councillor Candida Ronald, Cabinet Member for Resources and the Voluntary Sector</b>
<b>Originating Officer(s)</b>	Robert Mee, Interim Voluntary & Community Sector Team Manager
<b>Wards affected</b>	All
<b>Key Decision?</b>	No
<b>Forward Plan Notice Published</b>	12 August 2019
<b>Reason for Key Decision</b>	Not a key decision
<b>Community Plan Theme</b>	<b>All</b>

### **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 107 live projects in April to June 2019, the third extension period.

Two projects delivered by Family Action ended delivery March 2019. Mainly due to other contracts ending making it not viable to continue the MSG projects.

Project performance for this period (Apr-Jun 19) shows there is 1 Amber rated project.

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 – 3.6 and the premises update 3.7 – 3.9.

### **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 April to June 2019, the MSG Programme had 107 live projects. This is the third 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 Family Action had two projects that ended 31 March 2019, mainly due to other contracts ending making it not viable to continue the MSG projects.

### **3.3 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 all are RAG rated Green.

### **3.4 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 all of which are RAG rated Green.

### **3.5 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 has underachieved in 2 key output areas: Number of peer support volunteers recruited and Number of successful peer support matches made. The project was put on an improvement plan since January 2019 and though it has made some improvements over the months, it hasn't made sufficient progress in the last 6 months to be RAG rated Green.

The targets agreed for the extension period are now seen to be overambitious and the project is struggling to meet the quarterly targets. The VCS Team is continuing to support the organisation as it delivers the project.

### **3.6 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**

3.7 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

3.8 Asset Management are working with the organisations to put in place appropriate property agreements. The position as at 9 August 2019 is:

#### **Age UK East London**

Delays with communication experienced. Heads of Terms re-sent early June 2019 after initial contact was made in May '18. A further follow-up has been made-hoping for a response in the coming days.

#### **Bethnal Green Weightlifting Club**

CBRR grant now approved. Heads of Terms redrafted. Main issues to be resolved are agreement of new rent up from £26.5k to circa £35k and mechanical repairs of £34k plus external repairs and decorations (cost not yet known).

#### **Black Women's Health and Family Support**

Met with occupant and provided Heads of Terms. Issues with funding indicated by occupant i.e. rental is unaffordable

#### **Legal Advice Centre**

The lease is about to be completed, just one issue to be sorted out on the 1954 Act.

#### **Stifford Centre**

Asset Management has written to the Trustees of Stifford Community with the option of surrender and re-grant of a new 5 years lease at open market rent. However, the trustees of Stifford Centre are querying the new market rent of £32,900pa and asking for the rent to be in line with the independent

assessment carried out for 2016 rent review which is at a rate of £12.35 per sq.ft. This is not in line with the Council's open market rent at £14 per.sq.ft.

The MSG Rent Subsidy agreement has been signed and payments are being raised so Stifford Centre can pay the outstanding rent invoices up to the end of the MSG programme.

### **Our Base**

The Offer Letter setting out the Rent Subsidy amount and conditions has been drafted to fund the rent up to September 2019. Payments are scheduled and the first payment can be made upon signing the agreement.

### **Tower Hamlets Community Transport**

Rent subsidy agreed. Section 25 notice served. Legal services to confirm expiry date. Currently waiting for confirmation from Legal.

- 3.9 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)**

Asset Management have chased Splash again on 26/07/2019 to approve the Heads of Terms and still awaiting response before instructing the Legal Team to start preparing the lease.

Splash has been awarded Community Benefit Rent Reduction (see separate report).

### **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. No further update until the final Locality Review has been completed

### **Wapping Bangladesh Association**

A draft lease was issued to the tenant's solicitor March 2019 and confirmed instructions. The leases are with Legal and about to complete in August 2019.

### **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. Negotiations have started for a new lease beyond September 2019.

#### **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 is 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 to 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 from 2019-20 onwards. The current medium term financial plan assumes a proposed saving target of £330k in 2021-22. 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.

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

#### **Linked Report**

- None

#### **Appendices**

- Appendix 1 – Project Performance April – June 2019

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

- None

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

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