

Commissioner Decision Report

9th September 2015



Report of: Debbie Jones
Director of Children's Services (Interim)
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Learning and Achievement

Classification:
[Unrestricted]

**Resolution of Grant Payments: Children's Services
Ocean Estate Bursary and Tower Hamlets and Canary Wharf Trust**

Originating Officer(s)	Terry Parkin
Wards affected	All
Key Decision?	No
Community Plan Theme	

REASON FOR URGENCY

An investigation into the grants relating to the Mayor's Educational Maintenance Allowance and the Mayor's Higher Education fund has revealed two further awards, the Tower Hamlets and Canary Wharf Further Education Trust and the Ocean Estate Bursary scheme. Commissioners were advised that an investigation would be carried out in respect of payment of these awards, to ensure that any payments are not being made in contravention of the Secretary of State's Directions dated 17 December 2014. This became apparent at a meeting with the Trustees on 1st September 2015, hence the need for urgency.

This paper clarifies that those grants can be made as intended by the Trustees acting in accordance with their Trust Deeds, for the future avoidance of doubt.

Executive Summary

At a previous meeting of the Commissioners, of 27th May 2015, two grants for post-16 (*the Mayor's Educational Allowance*) and post-18 study (*the Mayor's Higher Education Fund*) were considered. Investigation of the arrangements around those grants revealed two further awards, those of the Canary Wharf and Tower Hamlets Further Education Trust and the Ocean Estate Bursary, that have also not been paid due to a lack of clarity around their status.

£5000 in total is payable to the Council to administer these two grants, however, decisions in respect of the bursaries rest with the Trustees.

Recommendations:

The Commissioners are recommended to:

- Note that the payment of the grants from the Tower Hamlets and Canary Wharf Further Education Trust, and the Ocean Estate Bursary fall outside the remit of Commissioner decisions.

1. REASONS FOR THE DECISIONS

- 1.1 Although funding for the Tower Hamlets and Canary Wharf Further Education Trust ('the Trust'), and the Ocean Estate Bursary was provided through the Council making grants to the Trust, those grants pre-dated the Secretary of State's Direction and therefore no further decisions need to be taken at this stage by Commissioners. Decisions regarding the allocation of bursaries are made by the Trustees of the Trust and are not decisions of the Council.
- 1.2 In the event that the Council sought to make further payments to the Trust outside the existing grants, any such decisions would need to be taken by the Commissioners.

2. ALTERNATIVE OPTIONS

- 2.1 Not applicable

3. DETAILS OF REPORT

3.1 Tower Hamlets and Canary Wharf Trust

The Tower Hamlets & Canary Wharf Further Education Trust Fund is a registered charity that was launched by Tower Hamlets Council and Canary Wharf Limited in 1990 funded from s106 monies held in Trust. Through its grants, the Trust seeks to promote the advancement of further and higher education as well as vocational training for Tower Hamlets residents.

During its life, the Trust has helped to support the training and further education for over 4,100 local residents. The Trust is committed to helping and supporting those in Tower Hamlets with the greatest need for education and training, allowing them to progress into employment or to enhance their education with a view to finding employment. Students are expecting these awards but none has been able to be made as their status is unclear.

Seven payments of £3000 remain outstanding from 2014-15.

The awards currently made by the Trustees, place an emphasis on supporting vocational courses that lead to employment. In general the Trust will not fund students who can obtain financial assistance from other sources and the four Trustees, two of whom are appointed by the Mayor, were of the understanding that they were unable to fund any awards since the Secretary of State intervened. The two Trustees representing Canary Wharf, along with a representative of the Ocean Regeneration Trust Board, met with the author on 1st September 2015 and raised concerns about students expecting these bursaries experiencing genuine hardship, and the impact of non-payment both on the students but also the reputational risk to them as Trustees, and to the Trust itself and to the Council.

3.3 Ocean Estate Bursary

The Ocean Estate Bursary has £150,000 to disburse over five years.

Grants may be awarded of £3k per person from the estate attending University: several grants have been awarded but not as yet made. Students living on the estate apply to the Education Grants department, now a single person who is himself due to retire later this year, and who shortlists and passes this list to Trustees for final decision. Application is by form in response to an advert placed in the local press, and is a competitive process. These are well publicised through our partners and one such link is provided below.

Commissioners received a paper on 28th January 2015 detailing awards to a number of students which they approved. However, that paper did not seek general authority for the process. The fund is overseen by the Tower Hamlets and Canary Wharf Trust.

4. COMMENTS OF THE CHIEF FINANCE OFFICER

4.1 The Tower Hamlets and Canary Wharf Further Education Trust and the Ocean Estate Bursary consist of monies originating from section 106 agreements. The trust had a balance of £101k at the end of 2014/15.

4.2 The Ocean Estate Bursary scheme has £150k available to be awarded to applicants who are eligible (although some of that money was allocated in January 2015 as detailed above.)

5. LEGAL COMMENTS

5.1. The power of the Commissioners to make decisions in relation to grants arises from directions made by the Secretary of State on 17 December 2014 pursuant to powers under sections 15(5) and 15(6) of

the Local Government Act 1999 (the Directions). Paragraph 4(ii) and Annex B of the Directions together provide that, until 31 March 2017, the Council's functions in relation to grants will be exercised by appointed Commissioners, acting jointly or severally. This is subject to an exception in relation to grants made under section 24 of the Housing Grants, Construction and Regeneration Act 1996, for the purposes of section 23 of that Act (disabled facilities grant).

- 5.2. However, the Tower Hamlets and Canary Wharf Trust ('the Trust') is a separate legal entity to the Council, and decisions made in respect of the award of individual bursaries are made by the Trustees to the Trust. When the Trust was originally established in 1990 the Council was appointed as the Trustee to the Trust. However, in 1995 a supplementary trust deed was sealed, wherein the Council resigned as Trustee and instead independent Trustees were appointed, two to be appointed by the Mayor and two by the Canary Wharf Estate. Consequently, the decisions in respect of the award of bursaries do not require a decision by the Commissioners.
- 5.3. The Trust was originally established using monies received by the Council through planning obligations under section 106 of the Town and Country Planning Act 1990, commonly known as s106 agreements. These payments are a mechanism which make a development proposal acceptable in planning terms and may require a sum or sums to be paid to the Council on a specified date or dates or periodically.
- 5.4. The original monies held by the Trust were transferred from the Council to the Trust pursuant to the section 106 agreement in 1990, and it is likely that this transfer would fall within the definition of a grant. A further grant was made by the Council to fund the Ocean Estate Bursary scheme by way of a Grant Agreement dated 24 July 2014, which provided for a series of payments in each financial year until 2018. As these grants were awarded prior to the Directions in December 2014, no further decision is presently required from the Commissioners.
- 5.5. In the event that the Council sought to make further payments to the Trust outside the existing grants, any such decisions would need to be taken by the Commissioners pursuant to the Directions.

6. ONE TOWER HAMLETS CONSIDERATIONS

- 6.1. Awards from both the Tower Hamlets and Canary Wharf Trust and the Ocean Estate Bursary targets those who are most likely to be the first in their families to attend university but also in the case of the Canary Wharf Trust awards, also provides targeted support for those undertaking vocational studies, often an easier way into Higher Education for those with little family experience of university.

7. BEST VALUE (BV) IMPLICATIONS

- 7.1 Students in receipt of these awards will gain qualifications which will help them build independence and financial security through high quality employment. The social impact of the return on investment for these awards is difficult to quantify but will certainly bring a return and historically, many of our graduates have returned to live and work in the borough.

8. SUSTAINABLE ACTION FOR A GREENER ENVIRONMENT

- 8.1 Not applicable

9. RISK MANAGEMENT IMPLICATIONS

- 9.1 Not applicable.

10. CRIME AND DISORDER REDUCTION IMPLICATIONS

These grants encourage young people to remain in education for longer and to become better qualified. There is good evidence that these characteristics, in turn, reduce the amount of crime in the community.

11. SAFEGUARDING IMPLICATIONS

- 11.1 Not applicable.

Linked Reports, Appendices and Background Documents

Linked Report

- Record of the decisions of the Commissioners' Decision Making Meeting held at 6.30 p.m. on Wednesday, 27 May 2015
<http://modgov.towerhamlets.gov.uk/documents/g5882/Decisions%2027th-May-2015%2018.30%20Commissioners%20Decision%20Making%20Meeting.pdf?T=2>

Background information

- Grants <http://www.gatewayhousing.org.uk/grants-and-internships>

Appendices

- Tower Hamlets and Canary Wharf FE Trust Deeds (original deed and supplemental deed)
- Grant Agreement between the London Borough of Tower Hamlets and Tower Hamlets and Canary Wharf FE Trust dated 24 July 2014

Officer contact details for documents:
N/A