


<b>Commissioner Decision Report</b> Date TBC	 <b>TOWER HAMLETS</b>
<b>Report of:</b> Andy Bamber – Service Head of Safer Communities	<b>Classification:</b> Unrestricted
<b>Water Based Sports – Shadwell Basin Outdoor Activity Centre</b>	

<b>Originating Officer(s)</b>	Hasan Faruq
<b>Wards affected</b>	All wards
<b>Key Decision</b>	Yes
<b>Community Plan Theme</b>	<b>All</b>

## 1. Executive Summary

- 1.1 Shadwell Basin Outdoor Activity Centre has been delivering adventure and water based sports activities for the Integrated Youth & Community Services (IYCS) since 1977. It is a unique provider in the borough which attracts young people from all backgrounds with 50% of the users being White British young people, which is one of the target groups of the service and 50% of the users being from Black and Minority Ethnic (BAME) backgrounds.
- 1.2 Shadwell Basin also provides centre based activities that include skills development to make young people more competitive and challenge their ability and aim for higher goals. The sessions and programmes are not just about outdoor activity and accreditation but are also about developing trust, perseverance, respect, care, and teamwork and leadership skills all to assist young people in collecting life skills for the future.
- 1.3 LBTH IYCS would like to retain the unique borough premises of Shadwell Basin for the betterment of development of young people which is unique and offers a wide range of skill enhancement.
- 1.4 The centre has traditionally been funded through a series of grants provided by the council to ensure that young people have unrestricted access at affordable prices to the facilities provided at the centre.
- 1.5 The total funding of £41,150 came from three main funding streams previously provided by the council:
1. An SLA with the Youth Service for £25,000.
  2. A mainstream grant for 2012/15 for £13,750.
  3. An annual payment from PAYP of £2,400.
- 1.6 At the beginning of this financial year there was a decision taken to better understand a number of organisations that were funded through a facility of

SLAs and grants. As part of this process the SLA with Shadwell Basin was delayed pending the conclusion of the current round of MSG and PAYP funding considerations. The outcome of this process is that Shadwell Basin are about to receive £5,000 as part of a £15,000 consortium bid from MSG which represents a reduction of £8,750 compared to the previous MSG allocation. If the £25,000 provided to Shadwell Basin through the Youth Service SLA is not approved then the overall reduction in funding will be £33,750.

- 1.7 The centre has continued to support the youth service during the current financial year while the grant process has been managed but the income streams now available to it without the youth service SLA means that the centre will radically alter the provision for young people in the borough and they will ultimately lose a valuable affordable youth facility.
- 1.8 The Youth Service is seeking approval from the commissioners to approve a 12 month SLA (April 2015 to March 2016) to deliver activities as outlined in the SLA in Appendix 1.

## **2. Recommendations**

The Commissioners are recommended to:

- Authorise a 12 month Service Level Agreement (SLA) with Shadwell Basin Outdoor Activity Centre for the whole year starting from 1st April 2015 to 31st March 2016 to deliver the activities outlined in the SLA in Appendix 1 and for the sum of £25,000 to be paid from the Youth Service Core budget for the provision of those activities.

## **3. REASONS FOR THE DECISIONS**

- 3.1 The decision is required in order that the Council is able to deliver a successful water based sports service to young LBTH residents and ensure that in a climate of austerity & challenge there are alternative options for gaining such experience and developing personal portfolios leading to possible employment or further education.

## **4. ALTERNATIVE OPTIONS**

- 4.1 The commissioners may choose not to approve this SLA funding which will lead to a significant reduction in facilities for young people and an increase of charges to access the facilities.

## **5. DETAILS OF REPORT**

- 5.1 The commissioners are being requested to authorise a 12 month SLA with Shadwell Basin starting from 1st April 2015 until 31st March 2016. The

organisation is currently under immense financial strain due to the delayed SLA funding, the reduced MSG and PAYP allocations. MSG allocation last round (2012-15) was £13,750 however this year £15,000 was allocated to a consortia of 3 organisations (£5,000each). The PAYP allocation last year was £2,400, this year the amount went down to £1,800.

- 5.2 The Shadwell Basin programme has a historical arrangement via an SLA and has delivered a successful adventure and water based activity programme for many years with residents of Tower Hamlets. The programme includes water sports such as kayaking, canoeing and sailing to develop care, trust, perseverance, respect and to build teamwork and leadership. London Youth Games (Gold Medal holders for 2015) and Essex Winter Series of kayak races helps develop further skills and expertise. The young leaders and volunteers take part in the Instructor Training Scheme that qualifies them as Level One Coaches in Paddlesport and Assistant Dinghy Instructors in sailing thus offering pathways to employment.
- 5.3 Since April 2015, despite the financial uncertainty, Shadwell Basin have continued to support the Youth Service while the SLA and grant process are reviewed. The youth programme has already delivered; 33 sessions, 66 days of activities and 10 residential days. The Centre's activity programme was to get young people to take part in activities in the outdoor environment to challenge their learnt skills and abilities through adventure against the elements.
- 5.4 There was also a self-sufficient canoeing expedition down the River Medway during the April to August 2015 delivery, which demanded physical effort, teamwork and leadership, and was based around camping in tents.
- 5.5 Shadwell Basin also acted as a pathway to training and employment for four young people, one coach qualifying with autism and the adult based clubs on site acted as an exit route for older young people as well as assisting with trips on the River Thames and training.
- 5.6 In October 2015 the plan is to go to Coniston to test learnt outdoor skills in a truly wild environment. It will give young people a chance to take part in qualifications as well as foster teamwork on social tasks.
- 5.7 A reduction in income or the discontinuation of this SLA will undoubtedly have significant implications for the centre and young people. The organisation has continued to support the Youth Service from the 1<sup>st</sup> of April 2015 even without a current SLA in place recognising the need for the authority to coordinate the SLA and grants to third sector organisations.
- 5.8 This SLA arrangement will conclude on 31<sup>st</sup> March 2016. The service is currently in negotiation with the procurement service to develop a specification to tender this contract in order to find the best suitable provider in the borough to deliver this type of provision from the 1<sup>st</sup> April 2016. (we need to state when this work will be concluded and when the new contract will be operational from)

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

- 6.1 The report seeks the Commissioners' agreement to approve a 12 month Service Level Agreement with Shadwell Basin for the contract value of £25k of which five months has already been delivered and a further seven months of activities programmed to be delivered. The cost will be funded from the budget allocated within the Youth Service core budget, (Vote E87).
- 6.2 Shadwell Basin has received a total of £41,150 of funding in 2014/15. If this SLA is approved the total funding allocated will be £31,800 representing a decrease in annual funding of £9,350.

## **7. LEGAL COMMENTS**

- 7.1 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).
- 7.2 To the extent that the Commissioners are exercising powers which would otherwise have been the Council's, there is a need to ensure the Council has power to make the grants in question.
- 7.3 Section 507B of the Education Act 1996 places a duty on local authorities to promote the well-being of young people aged 13-19 (and persons up to 25 years with learning difficulties or disabilities) by securing access for them to sufficient educational and recreational leisure time activities and facilities, so far as reasonably practicable. The Council can fulfil the duty by providing activities and facilities, assisting others to do so, or by making other arrangements to facilitate access, which can include the provision of transport, financial assistance or information.
- 7.4 Before taking any action in relation to activities and facilities for young people aged 13 – 19 (and up to 25 for young people with learning difficulties), the Council must consider whether it is expedient for the action to be taken by another person. The Council must consult for the purposes of determining this question. If it is so expedient, then the Council must take all reasonable

steps to enter into an agreement or make arrangements with such a person for that purpose. The conduct of a grants scheme in relation to relevant activities, supported by grant agreements, may be consistent with these obligations.

- 7.5 When exercising its functions under section 507B of the Education Act 1996, the Council must take steps to ascertain the views of qualifying young persons in Tower Hamlets (i.e. young people aged 13 – 19 or up to 25 in the case of young people with learning difficulties). The Council must have regard to statutory guidance issued under the section and the current version is the Statutory Guidance for Local Authorities on Services and Activities to Improve Young People's Well-being. The guidance confirms that Local authorities should use planning and commissioning processes to identify the most appropriate providers and utilise the strengths of organisations within the voluntary and private sectors.
- 7.6 The proposed scheme may additionally be supported by others of the Council's statutory powers, such as its 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. This general power of competence may support the giving of grants to community groups, provided there is a good reason to do so. There may be a good reason for giving a grant if it is likely to further the Council's community strategy which is contained within the Tower Hamlets Community Plan.
- 7.7 The Council has a duty under 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. This is referred to as the Council's best value duty. For the short term pending new arrangements for the provision of services it is considered that the continuation of the present arrangements provides value for money for the reasons specified in the report. Best Value considerations have also been addressed in paragraph 9 of the report.
- 7.8 There should be a grant agreement (in this case a Service Level Agreement) and provision made to ensure delivery of the project in line with that agreement and in the event of non-delivery to protect the Council's position. Robust monitoring requirements need to be in place and appropriate performance related payment mechanisms introduced into the terms of any grant award.
- 7.9 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.

7.10 All the proposed grants appear to fall under the *de minimis* threshold for the purposes of European restrictions on State aid.

7.11 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 section of the report

## **8. ONE TOWER HAMLETS CONSIDERATIONS**

8.1 The purpose of this Service Level Agreement is to ensure that all of our resident's especially young people between the ages of 13 to 19 are able to benefit from water based sports opportunities.

8.2 The SLA offer contributes to the broad aims of One Tower Hamlets, i.e. tackle inequality, strengthen cohesion and build community cohesion.

## **9. BEST VALUE (BV) IMPLICATIONS**

9.1 The Shadwell Basin offer enables residents to engage with a service which is local, provides personalised services and helps to build a more resilient community one that enjoys active lifestyle and is not rudimentary.

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

10.1 Provision of local activities for residents within walking distance of their homes can contribute to fewer car journeys.

## **11. RISK MANAGEMENT IMPLICATIONS**

11.1 A number of different risks arise from 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.

11.2 To ensure that the risks are minimised, the organisation will be required to comply with standard grant agreement terms. There will also be appropriate performance targets to be met and evidence required.

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

- 12.1 Water based sports helps residents to engage in positive activities and develops personal skills without which young people may get involved in anti-social behaviour and petty crimes.

## **13. SAFEGUARDING IMPLICATIONS**

- 13.1 All staff and volunteers working with Children and Young People require DBS checks and the Council has appropriate safeguarding structures in place to report any incidents.
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Linked Reports, Appendices and Background Documents

Linked Report

- NONE

Appendices

- Appendix 1:12 Month SLA starting from 1<sup>st</sup> April until 31<sup>st</sup> March 2016
- Appendix 2: Equalities data 2014/15

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

- None.

Officer contact details for documents:

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