


<b>Commissioner Decision Report</b> 24 May 2016	 <b>TOWER HAMLETS</b>
<b>Report of:</b> Zena Cooke, Corporate Director Resources	<b>Classification:</b> Unrestricted
<b>MSG Project Performance September - December 2015</b>	

<b>Originating Officer(s)</b>	Everett Haughton, Robert Mee
<b>Wards affected</b>	All wards
<b>Key Decision?</b>	Yes
<b>Community Plan Theme</b>	All

## **EXECUTIVE SUMMARY**

The Main Stream Grant (MSG) 2015/18 Programme was approved by Commissioners on 29 July 2015 and runs from 1 September 2015 through to 31 March 2018. The Programme is made up of 5 broad Themes covering a range of activities and services.

The activities and services are being delivered by 130 projects each of which has targeted outcomes to achieve during the course of the programme period. This performance report covers period 1 which was from 1st September to 31st December 2015 where each project has been classified as either: Green, Amber or Red based on a number of agreed performance criterion.

The report shows that overall; and despite significant changes to project management and reporting, the programme has performed reasonably well during the opening period from September through to December: with only 8 projects rated as either Amber or Red within the agreed performance management standards.

## **RECOMMENDATIONS**

Commissioners are recommended to:

1. Note the contents of the report, in particular:
  - (i) The make-up of the 2015/18 programme as set out in section 3.4
  - (ii) Key issues affecting Period 1 as set out in section 3.5
  - (iii) The online monitoring information as set out in section 3.12.2
  - (iv) Key programme performance information as set out in Appendices 1 and 2 – paragraph 3.6 refers
2. Provide guidance on any required improvements or specific information to be provided in future performance reports

3. Note that the performance report on period 2 (January to March 2016) will be presented to the Commissioners Decision Meeting scheduled for 5 July
4. Approve the withdrawal of approved grants to projects as set out in paragraph 3.12.4

## **1. REASONS FOR THE DECISIONS**

- 1.1 Regular performance updates ensure that the MSG Themes and individual projects are on track to deliver the agreed outputs and outcomes.
- 1.2 Any issues that raise concerns can be addressed by Commissioners 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 has been provided within the report in an effort to give Commissioners and Members a good overall understanding of how projects performed against the key elements of their Grant Agreements.
- 2.2 Commissioners may however wish to request either less or more information in relation to future quarterly performance. Future reports could therefore take either of the following approaches. Theme level highlight reports, detailed project level reports; or, a combination of the two.

## **3. DETAILS OF REPORT**

### **Background**

- 3.1 The Main Stream Grant (MSG) 2015/18 programme was approved by Commissioners on 29 July 2015.
- 3.2 The majority of approved projects had a scheduled start date of 1 September 2015 and were funded for 36 months up to end of August 2018. However, within Theme 3 (Prevention Health and Wellbeing), 4 projects were scheduled to commence on 1 October 2015 and 8 projects were scheduled to commence on 1 January 2016. Each project has a signed Grant Offer Letter setting out the targets to be achieved and details of the grant and other project funding profiled by quarter/period.
- 3.3 It should also be noted that Theme 5; Community Engagement, Cohesion and Resilience, approved funding for 19 months (1st September 2015 to 31st March 2017), with the intention to organise a further bidding round to agree a new portfolio of projects for the remaining 17 months of the programme period to run from 1st April 2017.

3.4 A breakdown of the current programme and projects is set out below. The Main Stream Grants Programme also draws in additional monies from funded organisations, either from their own funds and/or from other external funders to add value to the programme. The additional funding is confirmed within project grant agreements and the current breakdown of live projects is shown in **Chart 1** below; and the forecast spend by category is set out in **Chart 2**.

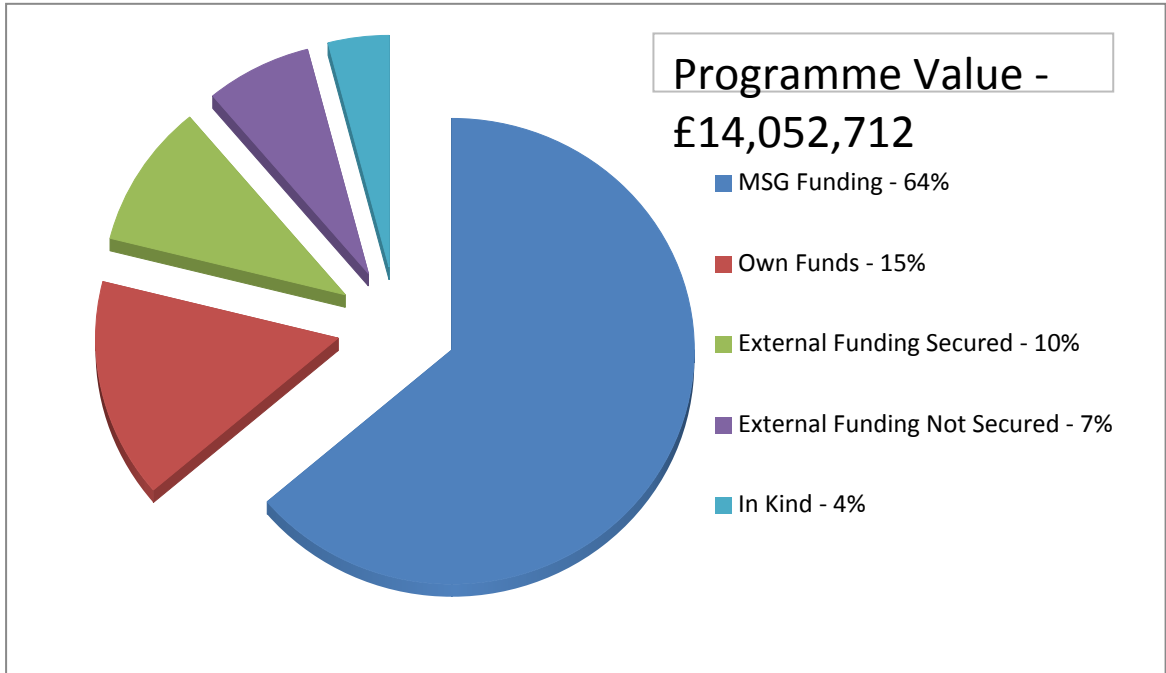
Theme	Dir.	Total Grant £*	No. of approved projects	No. of Live projects
<b>Theme 1: Children, Young People and Families</b>				
Raising Attainment	CS	185,949	11	10
Vulnerable & Excluded Children & Families	CS	542,997	6	6
Culture	CLC	313,500	10	10
Sports	CLC	313,500	7	7
Community Languages	CLC	163,146	10	10
Youth	CLC	726,000	17	17
	Sub Total	<b>£2,245,092</b>	<b>61</b>	<b>60</b>
<b>Theme 2: Jobs Skills &amp; Prosperity</b>				
Routeways to Employment	D&R	995,477	10	10
Social Welfare Advice Serves	D&R	2,671,776**	11	11
	Sub Total	<b>£3,667,253</b>	<b>21</b>	<b>21</b>
<b>Theme 3: Prevention Health &amp; Wellbeing</b>				
Lunch Clubs	AS	611,640	12	12
Prevention Health & Wellbeing	AS	1,052,940	14	14
Sports & Lifelong Learning	CLC	626,400	9	9
	Sub Total	<b>£2,290,980</b>	<b>35</b>	<b>35</b>
<b>Theme 4: Third Sector Organisational Development</b>				
Support to Council Funded Projects	RES	210,000	1	1
General Support to Organisations in the Borough	RES	300,000	1	1
Strategic Partner Project	RES	270,000	1	1
	Sub Total	<b>£780,000</b>	<b>3</b>	<b>3</b>
<b>Theme 5: Community Engagement Cohesion and Resilience</b>				
Community Engagement	LPG	165,522	11	11
	Sub Total	<b>£165,522</b>	<b>11</b>	<b>11</b>

Theme	Dir.	Total Grant £*	No. of approved projects	No. of Live projects
<b>TOTALS</b>		<b>£9,148,847</b>	<b>131</b>	<b>130</b>

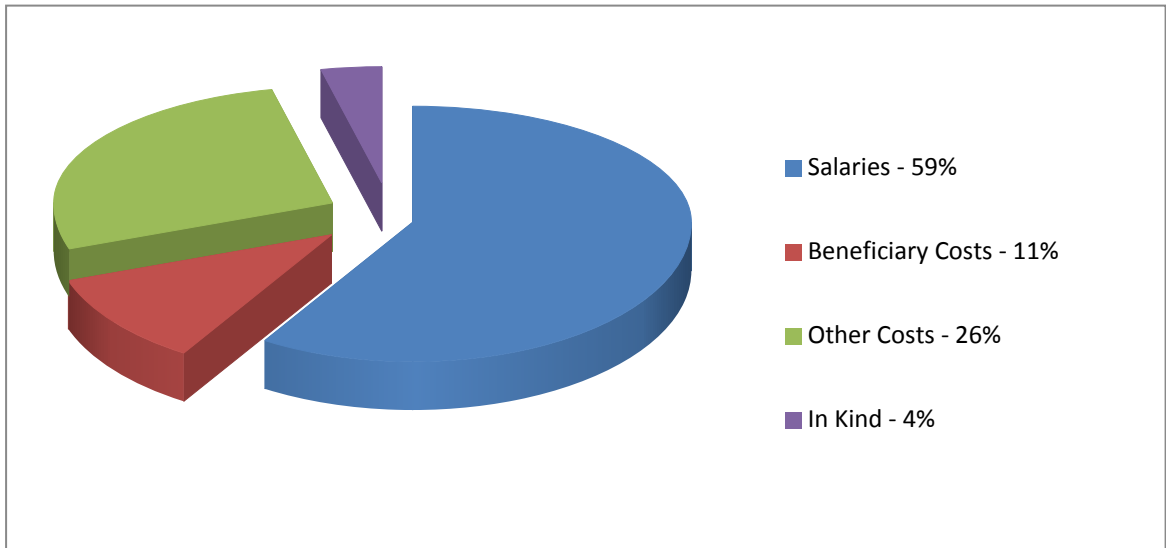
\* The figures are the budgets approved by Commissioners on 29 July 2015

\*\* Two projects were awarded additional funding totalling £8,319 pa. The decision sheet showed only the annual figure added to the Theme total (£3,650,615) rather than the 3 year lifetime amount. The correct figures are shown in the above table.

**Chart 1**



**Chart 2**



### **Key Issues Affecting Period 1 - September/December 2015**

3.5 A number of issues and concerns arose either during the Decision Making Meeting of 29 July 2015 or as a result of subsequent meetings. Some important programme and project management issues are also the direct result of the decisions taken at these meetings. Alternatively, some are key operational consequences of specific concerns that were raised either by Members, Commissioners or Senior Management. These matters are set out below together with details of how they have impacted upon or been addressed during Period 1 (September to December 2015) of the MSG Programme.

#### **3.5.1 Community Building Leases:**

At the 29 July 2015 meeting Commissioners agreed that a number of organisations based in Community Buildings were required to have entered into a formal and appropriate property agreement for their use of the building. These organisations are listed below.

- **Wapping Bangladesh Association** – discussion with the Council progressed enough that the January – March 2016 advance payment was able to be made. Leases were agreed on 15 January 2016.
- **Bangladeshi Youth Movement** – the organisation has agreed to the principle of vacating Berner Centre and; if their finances allow it occupying the Christian Street facility on the basis of a licence. The council is now in the process of identifying what works need to be carried out to Christian Street to make it a multi-use, versatile space.
- **Somali Senior Citizens Club** - discussion with the Council progressed enough that the January – March 2016 advance payment was able to be made. A licence has been agreed in principle.
- **Dorset Community Association** - discussion with the Council progressed enough that the January – March 2016 advance payment was able to be made. A lease was completed on 15 January 2016.
- **Limehouse Project** – discussion with the Council progressed enough that payments pre 31 March 2016 can be made. Capital works are still in progress. Discussions continuing on the Heads of Terms. Lease will be completed when capital works are completed and the valuation refreshed
- **Deaf Plus** - discussion with the Council progressed enough that the January – March 2016 advance payment was able to be made. The lease was completed in December 2015.

Subsequent to the 29 July meeting, the following organisations were added

- **Stifford Centre** - the organisation has now signed a lease agreement with the Council which was completed on 14 April 2016.
- **Osmani Trust** - the organisation is still in discussion with the Council over lease arrangements
- **Children Education Group** - the organisation is still in discussion with the Council over lease arrangements

For all of the above organisations a Pre-award condition was included in their Grant Offer Letter. This means that grant payments would not be released until such time as the condition had been extensively met by the organisation.

Organisations are able to deliver the project at risk but payments should not be made until the condition has been met. The Asset Management team have provided updates and clarification on the progress of lease arrangements with organisations; this information has enabled the Third Sector Team to determine whether or not to release the grant.

Note: organisations must be delivering projects satisfactorily for payments to be made even if conditions are met.

### **3.5.2 Geographic Coverage by Projects:**

There were questions raised, by Members at the 29 July 2015 meeting regarding whether certain organisations / projects were in fact 'able to deliver extensively across the borough' despite including this in their applications. This issue was raised on the basis that the previous track records of the organisations in question, indicated that their delivery was limited to their local areas.

As a result of the above issue, the Grant Offer Letter was significantly enhanced to ensure that this was addressed. In this regard, as part of the Grant Offer Letter negotiation process, all groups/projects were required to estimate, on a Ward-by-Ward basis, where the beneficiaries they plan to support came from.

The subsequent reporting by projects requires them to provide a breakdown of where their beneficiaries actually came from. This information is then assessed against the forecast targets.

Appendix 2 shows the Ward breakdown of beneficiaries supported during the September/December 2015 period.

Although the information indicates that in some Wards the 'actual' is well below the forecasted target, it should be noted that the forecast is merely a 4-month pro-rated figure from an annual estimate. The figures are therefore likely to change with new cohorts/beneficiaries being supported during subsequent quarters/periods. The geographic coverage of projects will continue to be monitored.

### **3.5.3 Beneficiary Targets by Projects**

There were questions raised at the 29 July 2015 meeting regarding whether certain organisations/projects were able to deliver across all equalities groups despite including this in their application.

As part of the Grant Offer Letter negotiation process groups had to estimate the numbers and make-up of the beneficiaries they plan to support using the nine protected characteristics: Age, Disability, Ethnicity, Religion or Belief, Sex, Gender, Sexual Orientation, Pregnancy/Maternity; and, Marital Status.

The subsequent reporting by projects requires them to provide a breakdown of the people they have supported on the basis of these characteristics. The information provided is then assessed against their original targets.

Appendix 2 shows the beneficiaries supported by projects in relation to some of the Protected Characteristics for the September/December period

#### **3.5.4 Organisations in Debt to the Council**

A new consideration of releasing Main Stream Grant is whether the organisation is a council debtor. Any organisation with an outstanding debt had a pre-award condition with the Grant Offer Letter which clarified that the debt must be fully cleared or the organisation must have a satisfactory repayment arrangement in place. This is also a standard on-going condition in all agreements.

As at the end of December when advanced payments for the January to March quarter were being considered, 17 funded organisations were listed as having an outstanding debt to the Council.

There are several organisations where the issue of debt has become a major concern to the Council. This included one organisation which had a long-standing debt of circa £20,000, the repayment plan was going to take in excess of 30 years to conclude; and, the organisation was in default with those repayments. This matter has now been resolved however and a satisfactory repayment plan is in place with the outstanding debt scheduled to be repaid within one year.

#### **3.5.5 The Shadwell Basin Project**

The initial application was approved for a total of £45,000 (£15k a year for three years) for a partnership made up of the Shadwell Basin Outdoor Activity Centre, Stifford Centre and The Rooted Forum.

The partnership felt the level of funding was not sufficient to deliver a viable programme of activities. Discussions took place with the Youth Service and each organisation was subsequently offered a £15,000 (£5k a year for 3 years) grant to support a revised programme to deliver separate initiatives.

- **Shadwell Basin Outdoor Activity Centre:** 'Youth Innit! – Shadwell Basin' – this project started in April 2016 and plans to make up the 7 months not covered in the first year
- **Stifford Centre:** 'Stepney Youth INNIT! @ Stifford Centre' – The project started in September 2015 but the Grant Offer Letter was only recently agreed and no payments have yet been made
- **The Rooted Forum:** 'Youth INNIT! The Rooted Forum (TRF)' – The project started in September 2015 is classed as Green and payments have been made.

#### **3.5.6 Approved Awards Declined by Organisation**

Three organisations declined the offer of grant following the decision at the 29 July 2015 meeting; these are set out below.

- **Somali Education and Cultural Project:** Theme 1; Supplementary School Classes – informed on the 25 September 2015 that they were unable to meet all the conditions for the grant and have undergone severe funding cuts recently
- **The Kipper Project:** Theme 1 Schools/Centres Youth Education Programme – The organisation’s Assistant Director Community Services, confirmed that changes within the Kipper Project meant that the organisation was unable to deliver this project
- **Milestone:** Theme 1 Youth Engagement Programme – It was confirmed that with the resignation of the Chief Executive, the organisation would be unable to deliver and meet the requirements of the grant

As a result of the above declined grants there is effectively an ‘underspend’ within Theme 1. It is therefore recommended that the Theme Lead brings forward a report on proposals for utilising those funds. In this regard, consideration will need to be given to the effect on the Theme’s overall aims, objectives and targets: including geographical and specific beneficiary factors as a result of the declinations.

### **3.5.7 Contract Negotiations**

The contractual negotiations with organisations took place after the approval of grants on 29 July 2015.

Ideally the length of time between the grant approval and the start of project delivery would be at least 3 months. This is based on the time it has taken on previous programmes and fits in with the Compact aim to give 3 month’s notice of grant awards prior to the start of project delivery.

In this case the date of approval was 29 July 2015 and the project start was 1 September 2015.

There were also, a number of additional or enhanced elements/requirements related to the Grant Offer Letter all of which were prompted by either the PwC Report, Commissioner Requirements and concerns raised by Members. The effect of this was to prolong the grant agreement negotiation process. The following are some of the items or issues that contributed to the protracted negotiation time which meant that project information was still being finalised in November 2015.

- Payment by Results
- Geographical targeting and forecasting
- Equalities targeting and forecasting
- Enhanced outcome output & milestone information

Groups were able to ‘operate at risk’ and start their delivery from 1 September 2015 but no grant payments were made until the Grant Offer Letters was signed by both parties and any Pre-award conditions met.

### **3.5.8 Payment by Results**



The Payment by Results arrangements was approved at the meeting of 29 July 2015 (details are set out within the report which is available on the Council's website via the following link:

<http://moderngov.towerhamlets.gov.uk/documents/b16444/Item%205.4%20Main%20Stream%20Grants%20201518%20Programme%2029th-Jul-2015%2018.30%20Commissioners%20Decision%20Making%20M.pdf?T=9>

The agreed arrangements were subsequently reviewed and amended following representation to Commissioners from the Tower Hamlets Council for Voluntary Services.

However, the decision to amend the RAG Rating and related Payment by Results arrangements was taken by Commissioners on 12 January 2016 and was therefore not able to be applied for the September to December period.

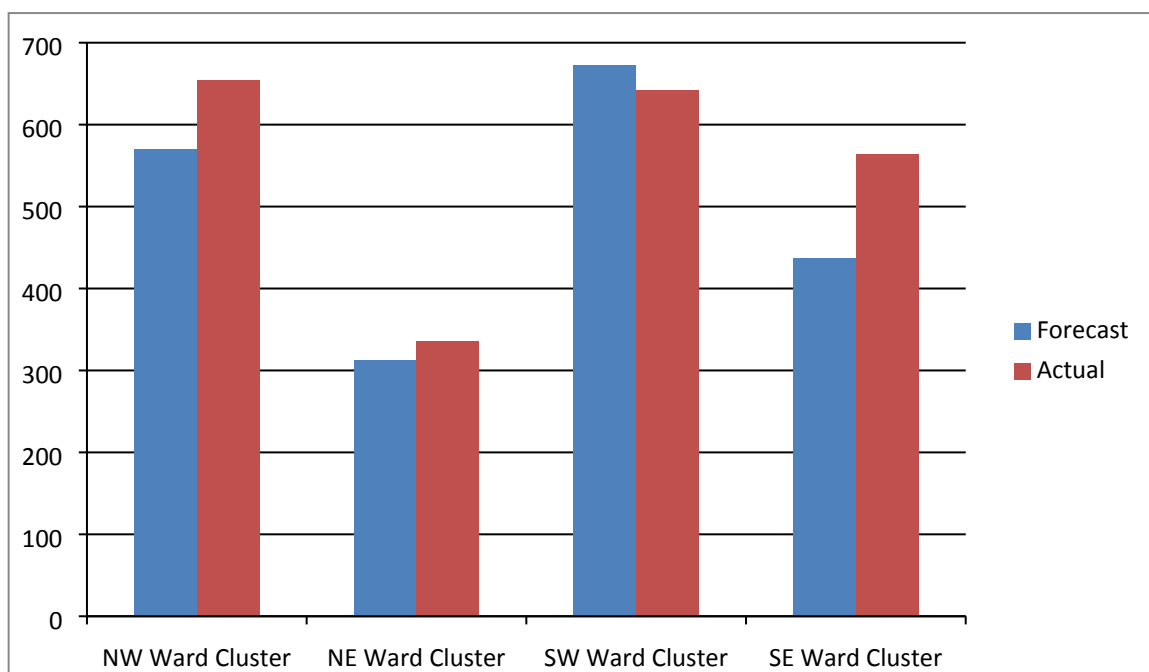
3.6 The following information provides an overview of performance within each of the 5 Themes. Further information is also attached as Appendix 1: setting out project level expenditure information; and, Appendix 2 showing programme level equalities and geographical analysis.

3.7 **Theme 1 – Children, Young People & Families:** This theme focuses on seeking the following key outcomes:

- Improved levels of participation, educational attainment and progression for children and young people.
- Children and young people are protected from harm and families are supported to provide a safe environment.
- Harmful relationships among peer/gender groups are reduced.
- Improved physical (such as reduced levels of obesity) and emotional health and wellbeing in children and young people.
- Reduced levels of substance misuse and sexual abuse, violent crime (including domestic violence) and anti-social behaviour.

### **3.7.1 Geographical Breakdown**

The table below shows the number of beneficiaries supported during the period September to December 2015 by Ward Cluster:



### 3.7.2 Raising Attainment Project Portfolio

No. of live projects – Sept-Dec 15	No. of projects classed as <b>GREEN</b>	No. of projects classed as <b>AMBER</b>	No. of projects classed as <b>RED</b>
10	9	0	1

Nine of the 10 projects within this area are progressing well and have no performance concerns at this time.

One of the 10 live projects within this area is rated as Red within the Council's performance rating system, with all other projects being Green.

The Red project: Young People's Study Support The organisation (Golden Moon) is having considerable difficulty and no visible project activity has taken place and no monitoring return was received for the period.

It is also clear that no activity has taken place within period 2 (January to March 2016) No payment has been made to the organisation in relation to this project.

It is therefore recommended that the approved award to the project (£21,000 over the 3-year period) be withdrawn.

### 3.7.3 Vulnerable & Excluded Families Project Portfolio

No. of live projects – Sept-Dec 15	No. of projects classed as <b>GREEN</b>	No. of projects classed as <b>AMBER</b>	No. of projects classed as <b>RED</b>
6	5	1	0

Of the six projects within this area 5 are rated Green and one is Amber. The reason why the organisation is underperforming is that project delivery started

late. However, it is anticipated that the shortfall will be made-up during the next period.

### 3.7.4 Community Languages Project Portfolio

No. of live projects Sept-Dec 15	No. of projects classed as <b>GREEN</b>	No. of projects classed as <b>AMBER</b>	No. of projects classed as <b>RED</b>
11	11	0	0

The following table shows that all 11 projects are rated green within the council's performance management scheme. There are currently no issue in this area.

### 3.7.5 Youth Services Project Portfolio

No. of live projects – Sept-Dec 15	No. of projects classed as <b>GREEN</b>	No. of projects classed as <b>AMBER</b>	No. of projects classed as <b>RED</b>
17	13	1	1

Within this area there are 17 projects in total, 13 of which are rated as Green, 1 is amber and 1 is Red.

Additionally, 2 of the projects were part of a tripartite proposal which has since been separated and have had not signed their Grant Offer Letter in time to deliver within period 1. In relation to the Amber rated project, an agreed action plan was put in place to rectify the identified underperformance.

None of the youth service projects are Boroughwide; the Grant Specification called for project targeting at Ward Cluster level as set out below.

- **North West:** Bethnal Green, Spitalfields & Banglatown, St Peter's, Weavers
- **North East:** Bow East, Bow West, Bromley North, Bromley South, Mile End
- **South West:** Shadwell, St Dunstan's, Stepney Green, St Katherine's and Wapping, Whitechapel
- **South East:** Blackwall & Cubitt Town, Canary Wharf, Island Gardens, Lansbury, Limehouse, Poplar

Monitoring data showing where the young people supported are from is set out in the attached Appendix 4.

The Red rated project: Back on Track: Engagement and Progression is not being delivered by the organisation (City Gateway) due to an unresolvable property issue and it is therefore recommended that the offer of grant (£15,000 PA) is withdrawn.

### 3.7.6 Sports Project Portfolio

No. of live projects – Sept-Dec 15	No. of projects classed as <b>GREEN</b>	No. of projects classed as <b>AMBER</b>	No. of projects classed as <b>RED</b>
7	7	0	0

All seven projects are rated Green and there are no issues at this time.

### 3.7.7 Culture Project Portfolio

No. of live projects – Sept-Dec 15	No. of projects classed as <b>GREEN</b>	No. of projects classed as <b>AMBER</b>	No. of projects classed as <b>RED</b>
10	8	0	2

With this sub-theme two projects classed as **Red** for the September to December period are rated as red.

**Mile End Community Project** - No outputs for the Female Leadership and Empowerment Project were achieved during the first period as planned partnership work, essential to the project, did not materialise. The project is expecting to secure all of the outputs in the January/March period.

**The Shadwell Community Project** - The project in question is The People GAP. No monitoring return has been received. Repeated requests have been made to the group asking them to report on the activity in the quarter. A monitoring meeting was set up for March which had to be cancelled due to staff sickness. A new meeting date has now been agreed. No grant payment will be made to the organisation until it is clear that the agreed services are being delivered.

No advanced payment for the January/March period has been made to either of the above organisations. Their performance during the January to March period will determine whether or not these projects will continue to be funded.

**3.8 Theme 2 – Jobs, Skills & Prosperity:** This theme focuses on seeking key outcomes including:

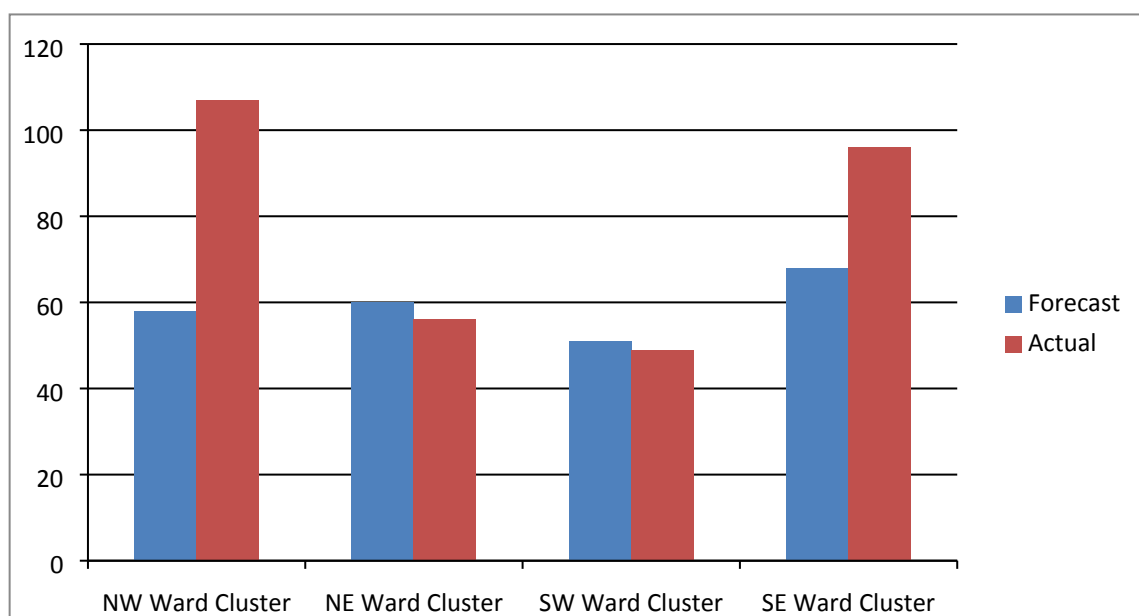
- Measurable increase in the numbers of people moved closer to the labour market and prepared for sustained employment.
- Reduce the numbers of residents in the borough with no qualifications or training
- Improved integration of pathway to work employment support services
- Reduction in numbers of residents negatively impacted by welfare reforms
- Minimisation of the number of residents facing housing repossessions
- Increase in the numbers of residents supported with addressing problem debts
- Increases in number of residents on low incomes receiving their correct benefit /tax credit entitlement
- Empowering residents and building resilience

### 3.8.1 Routeways to Employment

#### Geographical Breakdown

The table below shows the ‘number of people’ supported during the September to December period by Ward Cluster.

The actual take up of opportunities within the NW Ward Cluster (*Bethnal Green, Spitalfields & Banglatown, St Peter’s and Weavers*) and the SE Cluster (*Blackwall & Cubitt Town, Canary Wharf, Island Gardens, Lansbury, Limehouse and Poplar*) is significantly higher than the estimated forecast. It is hoped that a large percentage of beneficiaries see out the full programme of support.



#### Routeways to Employment Project Portfolio

No. of live projects – Sept-Dec 15	No. of projects classed as <b>GREEN</b>	No. of projects classed as <b>AMBER</b>	No. of projects classed as <b>RED</b>
10	9	1	0

Nine of the ten projects within this area are rated Green, one is rated Amber.

The amber rated project is showing a relatively high level of underperformance which was primarily due to the project not being fully staffed. However, the staffing has now been rectified and an agreed action plan has been put in place to make up the underperformance.

### 3.8.2 Social Welfare Advice Services

#### Geographical Breakdown

The table below shows the number of beneficiaries supported during the September to December period by Ward Cluster.

Two Providers did not submit geographical data in their return which has had a detrimental impact on the 'actual' figures, particularly within the NE and SW Ward Clusters. The missing information will be incorporated within the next report to show performance to date when it is anticipated that the overall number of people supported will have significantly improved.



#### Social Welfare Advice Service Project Portfolio

No. of live projects – Sept-Dec 15	No. of projects classed as <b>GREEN</b>	No. of projects classed as <b>AMBER</b>	No. of projects classed as <b>RED</b>
11	11	0	0

All eleven projects within this area are rated Green and there are no current performance issues.

**3.9 Theme 3 – Prevention, Health & Wellbeing:** This theme focuses on seeking key outcomes including:

- Increased number of vulnerable residents leading healthier lifestyles through improved diets, taking regular exercise and related activities, including lunch club attendees
- Improved emotional health and wellbeing of children and young people and families
- Reduced loneliness and social isolation
- Greater community cohesion
- Increased knowledge about where to go for advice and information

- Improved health and well-being through access to cultural activity that brings people together, allows for self-expression including projects around memory and cross generational activity

### Geographical Breakdown

The table below shows the number of beneficiaries supported in September – December 2015 by Ward Cluster:



#### 3.9.1 Prevention, Health & Wellbeing Project Portfolio

No. of live projects – Sept-Dec 15	No. of projects classed as <b>GREEN</b>	No. of projects classed as <b>AMBER</b>	No. of projects classed as <b>RED</b>
6	6	0	0

All 6 projects within this area are Green and there is no Amber or Red rated projects.

Eight projects are not shown within this report as they are not due to commence delivery until period 2 commencing January 2016.

#### 3.9.2 Lunch Clubs Project Portfolio

No. of live projects – Sept-Dec 15	No. of projects classed as <b>GREEN</b>	No. of projects classed as <b>AMBER</b>	No. of projects classed as <b>RED</b>
11	11	0	0

All 11 projects within this area are rated Green. There is however one additional project which is due to commence its delivery starting in period 2: January 2016

### 3.9.3 Lifelong Learning & Sports Project Portfolio

No. of live projects – Sept-Dec 15	No. of projects classed as <b>GREEN</b>	No. of projects classed as <b>AMBER</b>	No. of projects classed as <b>RED</b>
8	8	0	0

There are eight projects providing services within the September to December period all of which are rated Green. There is one additional project which will commence delivery in January.

**3.10 Theme 4 – Third Sector Organisational Development:** This theme focuses on seeking key outcomes including:

- Increased number of local VCS organisations with Quality Assurance accreditations
- Increased levels of external grant funding secured by local VCS organisations
- Increase in the number of organisation able to effectively manage grant funded activities and better demonstrate the impact of their work
- Improved sustainability of specialist resources that are used by a wide range of third sector organisations to deliver their work

#### 3.10.1 Geographical Breakdown

Theme 4 is focused on supporting organisations rather than individual beneficiaries. Geographical data has not been collected at this time. However, officers are confident that organisations from all Ward Clusters across the borough are being supported.

- In relation to support for LBTH Funded Organisations training/support sessions have been provided covering a range of activities including those outlined below.
  - Governance
  - organisational structure
  - how organisations can register as a charity
  - external funding sources
  - grant agreements
  - premises
  - volunteer management and support
  - LBTH on-line monitoring system
- Support to Council Funded Organisations:
  - To date 4 organisations have been referred for support through the monitoring process
- The Priority 1 and 2 Project delivered the following training courses during September-December 2015:



- Improving Volunteer Induction and Training: attended by 3 MSG-funded groups and 3 non-MSG-funded groups
- Introduction to Investing in Volunteers Quality Accreditation: attended by 1 MSG-funded groups and 11 non-MSG-funded groups
- Safeguarding Policies and Procedures: attended by 4 non-MSG-funded groups

94% of training participants found sessions “very useful” or “extremely useful”.

- In relation to the Strategic Partner Project, THCVS has played an important role supporting the Council in developing its Voluntary Sector Strategy.

### 3.10.2 Project Portfolio

No. of live projects – Sept-Dec 15	No. of projects classed as <b>GREEN</b>	No. of projects classed as <b>AMBER</b>	No. of projects classed as <b>RED</b>
3	3	0	0

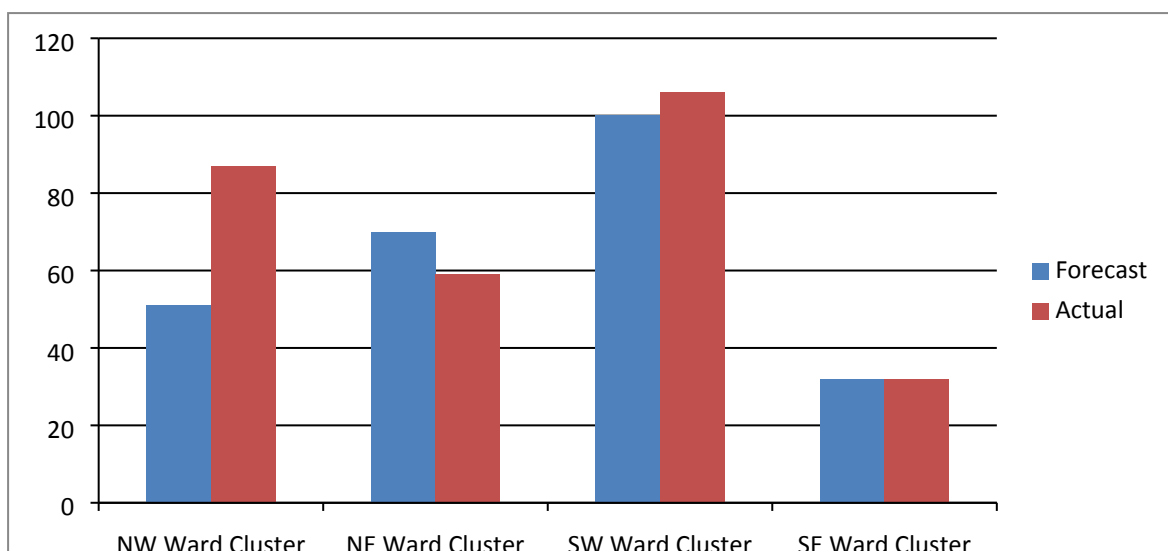
The Tower Hamlets Council for Voluntary Services (THCVS) leads three partnership projects focused on the following areas. There are no performance issues.

**3.11 Theme 5 – Community Engagement, Cohesion and Resilience:** This theme focuses on seeking key outcomes including:

- Identifiable increase in numbers of local residents taking on key leadership and representational roles within the community
- Increase in number of people who feel they are getting on better with others in their communities, as identified from annual community surveys
- Increased opportunities for communities to work together on local improvement projects, cultural celebration and exchange

#### 3.11.1 Geographical Breakdown

The table below shows the number of beneficiaries supported in September – December 2015 by Ward Cluster.



### 3.11.2 Theme 5 Project Portfolio

No. of live projects – Sept-Dec 15	No. of projects classed as GREEN	No. of projects classed as AMBER	No. of projects classed as RED
11	10	1	0

Ten of the eleven projects within this area are rated Green and one is rated Amber. There are no significant performance issues at this time. However, in relation to the Amber rated project: plans are in place to revisit the project as part of the January to March monitoring period in order to clarify issues of concern where activities other than those for which the grant was approved appear to be being undertaken. We will await the outcome of the planned monitoring visit and bring forward information in the next Performance report.

## 3.12 Programme Management

### 3.12.1 Grant Agreements

Youth Innit project which was submitted as a partnership initiative, has now split into three separate projects led by Shadwell Basin Outdoor Activity Centre and also included Stifford and the Rooted Forum. Grant agreement not signed,

Of the Three, only the Rooted Agreement was signed within the September to December period.

The following three grants approved within Theme I (Children Young People and Families) were subsequently declined by the respective organisations.

Priority	Organisation Name	Project Title	Start Date	End Date	Grant Amount
Youth	Milestone	Milestone Youth Engagement Programme	01/09/15	31/08/18	£45,000

Raising Attainment	Somali Education and Cultural Project	Somali Education & Cultural Project's Supplementary School Classes	01/09/15	31/08/18	£12,456
Youth	The Kipper Project	Schools/Centres Youth Education Programme	01/09/15	31/08/18	£45,000

### 3.12.2 Online Monitoring

The MSG 2015-18 Programme introduced an Online Monitoring Form to enable progress on the project and how organisations are meeting their agreed targets to be submitted electronically on a quarterly basis.

The online process is the same as for the application form which has been used for several previous MSG programmes. However, often the person in the organisation that completes the application form is not the same as the person who completes the monitoring form so this process is new to a lot of organisations.

The use of online applications and monitoring report forms enables information to go straight into the grants management database (GIFTS) and therefore facilitates comprehensive programme and project performance reporting of activities and targets including the various graphs and charts provided with this report.

There was a clear indication when grants were approved, that there should be reporting on project's geographical and equalities targets: and this requires the information to be submitted electronically in order to enable efficient and effective collation and analysis of programme management information.

Due to the tight timeline between the approval of grant: 29 July; and the start of the programme: 1 September, and, with most of the time concerned with negotiating the Grant Agreements there was not sufficient time for full testing and training to be provided project officers. This was clearly reflected in the level of difficulties which some VCS Organisations are having with the monitoring reporting requirements for the September to December period.

Therefore, for the September to December period some flexibility was given over the deadline for submission to allow for the new process to be bedded-in. Nevertheless, the overall requirements of the new process were felt by a significant number of projects to be disproportionately onerous and cumbersome, requiring far greater administrative resource than for other similar funding levels.

A series of workshops were held during March 2016 to go through the form and discuss how the process could be improved.

Some key concerns/questions raised by organisations include:

- Should the same level of reporting be required for all grants regardless of size?
- There are many different types of project from lunch clubs to advice provision should they have to submit the same information?
- The complexity of the form, the number of fields to be completed, could this be simplified
- Should the whole project finances and activity be reported when the MSG grant only makes up a small part?
- Do we have to include beneficiary breakdowns - geographical and equalities information?

An outcome of the workshops was the commitment to set up a Task Group made up of representatives from funded projects, the CVS and officers from the Third Sector team. The aim of the Task Group is to come up with proposals on how the monitoring process could be improved including what is reported and how it is reported for the rest of the programme, to ensure there is a comprehensive, effective risk based approach that is transparent and proportionate.

The proposals made by the Task Group will be presented to the Commissioners for their consideration. Any agreed changes to the Online Monitoring Form could be in place for period 03 reporting due to be submitted in July 2016.

### **3.12.3 Project Progress Reports**

September – December 2015 – deadline 15 January 2016

Ideally Project Progress/Monitoring Reports for the September to December period should have been submitted by 15 January 2016. Of the 118 live projects. The following information shows when reports were actually received.

- 82 - were received by the deadline
- 12 - were received up to 5 Days late
- 8 - were received between 6 & 10 late
- 10 - were received between 11 & 20 days late
- 3 - were received more than 20 days late

### **3.12.4 Recommendations**

Three projects - as outlined below - did not submit project progress reports for the September to December period. It is also clear that these projects have not progressed during period 2: January to March 2016. It is therefore recommended that the approved funding for these projects be withdrawn.

- Theme 1: Raising Attainment - Young People's Study Support Project - approved grant for the 3-years programme period: £21,000 (paid to date £0)
- Theme 1: Youth Service - Back on Track: Engagement and Progression Project - approved grant for the 3-year programme period: £45,000 (paid to date £0)

### **3.12.5 Future Programme Improvements**

A number of points for consideration which could lead to a more effective and efficient programme are outlined below:

- The Task Group set up to look at improvements to the monitoring process to continue to review during the Programme period.
- Monitoring forms by Theme
- Better use of GIFTS for analysis and reporting
- Formal risk based approach to monitoring to include:
  - Less frequent reporting for low risk projects
  - Detailed reporting moved to six monthly/annual for low value projects (below £10,000 per year)
- Variation to the values/requirements for site-based monitoring visits

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

- 4.1 This report provides an update on the Councils MSG programme, budgeted at approximately £3.049m per annum or £9.148m, over the three year period 2015/18.
- 4.2 There are sufficient resources within directorate budgets to fund the agreed programme over the 3 year period.
- 4.3 The report highlights a number of instances where approved grant awards will not be made, either because the organisation has declined the award or organisations have not met project milestones. Section 3.12.1 above refers to £102,456 that will no longer be awarded and relevant lead officers will need to bring forward alternative proposals to utilise the potential underspend.

## **5. LEGAL COMMENTS**

- 5.1. 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. Best Value considerations have also been addressed in paragraph 12 of the report.
- 5.2. Applying this duty to grants, the Council must operate a fair and open application procedure to process a request to obtain funding. Requests for grant funding should ordinarily be measured against a predetermined set of criteria and the criteria themselves must be fair and transparent. The grant

agreement should include a clear monitoring process against defined parameters in order for the Council to demonstrate either: that delivery is in line with the application and, therefore, the grant achieved its purpose; or provide clear delineation where outcomes were not achieved and the reasons for such failure are apparent. Monitoring should therefore include measuring performance against the expected outcomes.

- 5.3. This report provides the Commissioners with a performance update advising as to the MSG Themes and whether individual projects are on track to deliver the agreed outputs and outcomes.
- 5.4. With regard to the projects referred to in paragraph 3.12.4, the organisations did not submit project progress reports for the September to December period. It is also clear that these projects have not progressed during period 2: January to March 2016. These grants are discretionary and as performance measured against the expected outcomes is not satisfactory then it is appropriate that the approved funding for these projects be withdrawn.

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

- 6.1. 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.
- 6.2. 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.
- 6.3. The opportunities offered through the MSG Programme will play a key role in delivering the aims of One Tower Hamlets.

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

- 7.1. 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.
- 7.2. 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.
- 7.5. 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.
- 7.6. 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.

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

- 8.1 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.
- 8.2 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.

## **9. RISK MANAGEMENT IMPLICATIONS**

- 9.1 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
- 9.2 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.
- 9.3 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.

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

- 10.1 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.
- 10.2 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.

## **11. SAFEGUARDING IMPLICATIONS**

- 11.1 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.
- 11.2 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.
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### **Linked Reports, Appendices and Background Documents**

#### **Linked Report**

- MSG 2015/18 Programme – available via the following link:  
<http://modern.gov.towerhamlets.gov.uk/documents/b16444/Item%205.4%20Main%20Stream%20Grants%20201518%20Programme%2029th-Jul-2015%2018.30%20Commissioners%20Decision%20Making%20M.pdf?T=9>

#### **Appendices**

- Appendix 1 - Project by project information spreadsheet
- Appendix 2 - Beneficiaries data
- Appendix 3 - Case studies
- Appendix 4 - Youth Service Beneficiaries – geographical breakdown

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

- None

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