


Commissioner Decision Report 27 September 2016	 TOWER HAMLETS
Report of: Zena Cooke, Corporate Director Resources	Unrestricted
MSG Project Performance Report – April to June 2016	

Originating Officer(s)	Steve Hill, Everett Haughton and Robert Mee
Wards affected	All wards
Key Decision?	Yes
Community Plan Theme	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 August 2018.

The Programme is made up of five (5) broad Themes covering a range of activities and services.

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. This performance report covers Period 3 from 1st April 2016 to 30th June 2016. Each project has been classified as either: Green, Amber or Red within the Council's agreed performance management framework.

Overall, project performance for this period (April to June 2016) has been excellent with 115 of the 128 live projects being rated as Green within the Council's performance RAG Rating system.

Of the remaining projects 10 are rated Amber and only 3 projects are rated Red.

RECOMMENDATIONS

The Commissioners are recommended to:

1. Consider the position regarding the ongoing premises agreement as set out in section 3.3.1 of the report and confirm ongoing requirements.
2. Consider the recommendations relating to the Red and Amber rated projects as set out in section 3.3.2 of the report together with information set out within the related appendices.
3. Consider the project and programme management arrangements and note the on-going improvements being made to the monitoring and reporting

information.

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 Commissioners and Members with an overall understanding of how projects and organisations have performed against the key elements of their Grant Agreements.
- 2.2 Commissioners may wish to request either more or less information in relation to future quarterly performance reports.

3. DETAILS OF REPORT

Introduction

- 3.1 The MSG Programme currently stands at 128 live projects. Performance throughout the April to June period has been excellent and a theme by theme summary is set out below.

Theme 1 Summary

- 3.1.1 There are 59 live projects within this theme of which 52 are rated Green, 5 are rated Amber and there are 2 Red rated projects.
- 3.1.2 The work of the theme focuses primarily on delivering activities and services aimed at children and young people.

The Red rated projects are set out below.

- **Mile End Community Project:** Female Leadership and Empowerment Project
- **Ragged School Museum:** Family Learning Holiday Programme

Full performance information relating to all projects within this theme is set out in **Appendix 4.1**

Theme 2 Summary

3.1.3 This theme is made up of 20 projects all of which are rated Green.

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

Full performance information relating to all projects within this theme is set out in **Appendix 4.2**

Theme 3 Summary

3.1.5 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'.

3.1.6 In total there are 35 projects, 30 of which are rated Green with the remaining 5 being Amber.

Full performance information relating to all projects within this theme is set out in **Appendix 4.3**

Theme 4 Summary

3.1.7 Theme four consists of 3 projects all of which are rated Green.

3.1.8 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.

Full performance information relating to all projects within this theme is set out in **Appendix 4.4**

Theme 5 Summary

3.1.9 This theme is made up of 11 projects of which 10 are rated Green and the other rated as Red.

3.1.10 The work of projects within this theme is summarised by the title of the theme: community engagement, cohesion and resilience. Projects work closely with local residents to facilitate the building of a stronger, more cohesive, supportive and stronger community.

The Red rated project is set out below.

Somali Parents and Children's Play Association: Somali Women Engagement Forum.

Full performance information relating to all projects within this theme is set out in **Appendix 4.5**

3.2 The foregoing information demonstrates an improving picture of project performance within the MSG Programme. Of the 128 live projects, 115 are rated Green, 10 are rated Amber and only 3 are rated Red. This is encouraging and it is hoped that the improving trend continues.

Key issues affecting period three

3.3 Even with improving project performance, it is expected that within such a large and diverse Programme there are always a number of issues and challenges to be overcome. The key issues affecting this period April to June 2016, together with management actions and observations are outlined below.

3.3.1 Premises Agreements:

Previous decisions identified that the following projects needed to enter into 'appropriate property agreements' as a specific condition of grant.

- i. Wapping Bangladeshi Association
- ii. Bangladeshi Youth Movement
- iii. Somali Senior Citizens Club
- iv. Dorsett Community Association
- v. Limehouse Project
- vi. Deaf Plus
- vii. Children Education Group
- viii. Osmani Trust
- ix. Stifford Centre

- **Osmani Trust**

A deadline of 24 August 2016 was set for the signing of the lease. The lease was completed on 23rd August 2016. Commissioners have advised that as the lease has been satisfactorily completed in line with the approved Cabinet authority, any outstanding MSG can be paid subject to any rental arrears being cleared and compliance with the normal and specific MSG conditions applicable to this grant.

At the time of writing, all but the following two organisations have now met the required premises conditions. As premises conditions for the following have yet to be finalised their MSG funding is continuing to be withheld.

- **Limehouse Project**

- i. The organisation is delivering 6 MSG funded projects.
- ii. Payments to Limehouse Project were being made up to end of March 2016 however as from April, payments were to be withheld until such time as the organisation had an 'appropriate agreement' in place relating to Cheadle Hall.
- iii. In June, due to an error, payments for the April to June period were released for 3 of the organisation's MSG funded projects, details of these payments are set out below
 - £11,571 in respect of the project Enhancing Vocational Access
 - £3,510 in respect of the project Limehouse Luncheon Club for Elders

- £2,640 in respect of the project First Steps for Women Learning English and ICT
- iv. The withholding of grant to this organisation is currently continuing.
- v. Funds being withheld also relate to 3 consortia projects which are led by the organisation and where members of the consortium do not have a premises related issue.
- vi. It should be noted that the premises in question (Cheadle Hall) has not been ready for occupancy during the MSG Programme period to date and will not be used for the delivery of MSG funded activities.
- vii. The premise related issues are expected to be resolved by the date of the Grants' Decision Making meeting and an update will be provided.

- **Children Education Group**

- Discussions are ongoing between the organisation and the Council's Asset Management Team but an appropriate agreement has yet to be reached.

Recommendation:

Based on the above information Commissioners are asked to consider and confirm the requirements for the remaining two organisations subject to premises related issues.

3.3.2 Red & Amber Rated Projects:

For the period April to June 2016 the following projects have, for reasons as specified not met the required standards and therefore been rated as either Red or Amber within the performance management system.

- i. Following are the 3 **Red** rated projects:
 - **Mile End Community Project** - Female Leadership and Empowerment Project – This is the third period the project has been classed as Red. The organisation has outstanding monitoring information to submit from previous periods, no outputs have been delivered in the April to June period and no satisfactory explanation has been received. The project has been referred to the CVS on 20 May 2016 for support. An initial payment of £2,375 was paid to the organisation on the signing of the Grant Offer Letter in line with the procedure. Subsequent payments have been withheld.(*theme appendix 4.1*)
 - **Ragged School Museum** - Family Learning Holiday Programme – This is the second period the project has been classed as Red. There has been under performance in the period and the organisation has requested a significant variation to their targets. This is currently being reviewed. Agreement to the significant variation would enable the project to achieve its targets and be classed as Green going forward. The request for a significant variation will be considered and that decision may include a reduction in the level of grant. For the two periods where the project has been classed as Red £3,000 has been withheld. As the significant variation has been proposed it was not felt appropriate to involve the CVS while this is being considered.(*theme appendix 4.1*)

- **Somali Parents and Children's Play Association** - Somali Women Engagement Forum – This is the first period the project has been classed as Red, the two previous periods were classed as Amber. A detailed delivery schedule was agreed to help address previous concerns. However, an un-notified visit to a session stated on the schedule found no activity being undertaken. £5,053 has been withheld while these issues are being resolved. A referral to the CVS will be made if Grant Officer support does not lead to improvement. (*theme appendix 4.5*)

Recommendation:

Full information related to the above red rated projects is set out in the related theme Appendix. Based on the information provided in the Theme Appendices, together with their ratings over the 3 periods to date (see Appendix 2) Officer recommendations for Commissioners are as follows:

Mile End Community Project – in light of three successive RED ratings within the last three monitoring periods (i.e. the organisation has been RED rated for the last nine months) in accordance with the MSG programme requirements, Commissioners are recommended to withdraw the grant funding for this project.

Ragged School Museum – in light of two successive RED ratings within the last two monitoring periods (i.e. the organisation has been RED rated for the last six months) in accordance with the MSG programme procedure, Commissioners are recommended to withdraw the grant funding for this project. However, Commissioners may wish to consider the significant variation request currently under consideration as part of their decision.

Somali Parents and Childrens Play Association – the organisation have been rated RED for this monitoring period and this follows two successive AMBER ratings. In line with the MSG programme requirements, Commissioners are recommended to withhold grant funding with an expectation that the project returns to GREEN in the next monitoring period or risk having funding withdrawn in the event that the project remains at RED.

ii. The following are the 10 **Amber** rated projects:

- **Teviot British Bangladeshi Association** – Opportunity – Was previously rated Red therefore showing some improvement, however there have been continuous problems with obtaining information from the organisation and activity has not been able to be verified. The project is now on a summer break consequently no activity can be verified until September. Grant Officer support is being provided at present. A referral to the CVS may be considered if there is insufficient improvement. (*theme appendix 4.1*)
- **City Gateway** – Back on Track: Engagement and Progression - There have been issues with their delivery location and the project has been classed as Red previously. A new delivery location has been identified and the project has been classed as Amber pending verification that project activity has taken place. Grant Officer support

is being provided. A referral to the CVS may be considered if there is insufficient improvement. (*theme appendix 4.1*)

- **Wadajir Somali Community Centre** – Homework Club - The organisation has recently moved premises and payments are currently on hold awaiting verification. A visit was scheduled by 31 August 2016. Grant Officer support is being provided. A referral to the CVS may be considered if there is insufficient improvement. (*theme appendix 4.1*)
- **Monakka Monowar Welfare Foundation** - Life-changing Musical and Keep-fit Project - Organisation was Red at Period 2 due to under-performance. It reports that it has met re-configured outputs for project as at Period 3, benefitting from change in timetable for project activities. We are awaiting information to confirm attainment of most of these outputs. The organisation was referred to the CVS on 18 March 2016. (*theme appendix 4.1*)
- **The Shadwell Community Project** - The People GAP – The Grant Officer has been liaising with the organisation on an ongoing basis to receive satisfactory monitoring information for Periods 1 and 2. Not all required information has been received at this time. The organisation was referred to the CVS on 7 June 2016 and is working with them on an improvement plan. (*theme appendix 4.1*)
- **Age UK East London** - Friend at Home - Outputs show under performance in the quarter which has resulted in the project being classed as Amber for April to June 2016. Actions have been agreed to improve performance and the project is scheduled to return to Green for the next period. Referral to the CVS is not appropriate at this time. (*theme appendix 4.3*)
- **Bangladesh Youth Movement** - 'Live Healthy - Enjoy Life' Bangladeshi women Health & Development Project - Due to funds not being released due to premises conditions, the project was only able to run for one month starting in January 2016. This led to the first period being classed as Red. The premises issue has now been resolved and the project is trying to catch up on its targets with the second period now classed as Amber. Referral to the CVS is not appropriate at this time. (*theme appendix 4.3*)
- **Green Candle Dance Company** - Dance for Health at Oxford House There has been under performance in the period and the organisation has requested a significant variation to their targets. This is being considered and the decision may include a reduction in the level of grant. As the significant variation has been proposed – referral to the CVS is not appropriate at this time. (*theme appendix 4.3*)
- **Toynbee Hall** - Wellbeing in Tower Hamlets (*theme appendix 4.3*)
- **Toynbee Hall** - Wellbeing Centre (*theme appendix 4.3*)
The organisation has had a change of personnel and a move of location. Evidence of outputs are being retrieved from archive and these need to be verified before payment. Previous verification has identified issues that are being resolved. A further verification visit will follow for both projects. Referral to the CVS is not appropriate at this time

Recommendation:

Full information related to the above amber rated projects is set out in the related theme Appendices (as is the case for the red rated projects).

Based on the information provided in the Theme Appendices, together with their ratings over the 3 periods to date (see Appendix 2) Commissioners are recommended to note the improvements in respect of the following projects who have moved from RED ratings to AMBER in the last quarter and in accordance with the MSG programme procedure, agree to the release of two of the three month's advance funding:

Teviot Bangladeshi Association
Monakka Monowar Welfare Foundation
The Shadwell Community Project
City Gateway
Bangladesh Youth Movement

Note the following projects who have moved from GREEN to AMBER and agree to the release of two of the three months funding:

Wadajir Somali Community Centre
Age UK East London
Toynbee Hall Wellbeing in Tower Hamlets

The following projects have remained at AMBER for the last two successive monitoring periods i.e. last six months, Commissioners are recommended to agree to the release of two of the three months funding with the expectation that these projects return to GREEN in the next monitoring period:

Toynbee Hall Wellbeing Centre
Green Candle Dance Company

3.3.3 Project Monitoring and Reporting:

The monitoring task group have met and work with the group is ongoing.

Only a few funded groups have registered an interest so additional information has been provided by collating feedback from Tower Hamlets CVS and other funded organisations, telephone calls, discussions, emails and meetings with mainstream grant funded groups and other stakeholders.

Stakeholders agreed that monitoring is important to ensure limited resources are used effectively. However, it is also perceived that the LBTH monitoring is excessive in comparison to other funders.

It is suggested monitoring requirements could be reduced on a 'risk-assessed' basis; whereby for example, projects that demonstrate accurate monitoring

returns for an agreed period and where no other issues are identified would then have reduced visits and returns.

It should be noted that a comprehensive review of the Third Sector Team's project management processes and procedures is to be undertaken by external consultants. The review will commence in September and is scheduled to be completed by end of October/early November. The work will include streamlining of project monitoring and reporting requirements supported by the software system, Grant Information & Financial Tracking System (GIFTS).

Progress of agreed actions from previous meetings

3.4 Several recommendations were made at the 5th July Commissioners Decision Making Meeting and progress against these is set out below.

3.4.1 ***That previous performance ratings should be included in future reports so that performance trend can be seen.*** This report now contains an appendix which shows previous RAG status for all live projects (see Appendix 2).

3.4.2 ***That projects be reported on the basis of population and activity rather than Ward.*** Work is continuing to identify more appropriate ways of reporting the geographical breakdown of activities. The overall number of beneficiaries supported in April/June 2016 by Ward as shown in Appendix 3 does include ward population figures and number of Councillors in each ward together with use of Indices of Multiple Deprivation.

3.4.3 ***That new methods of effective monitoring without excessive bureaucracy be explored.*** The Period 3 online monitoring form was simplified to make it easier for organisations to complete for their projects while still enabling essential performance data to be collected. The work of the Monitoring Task Group continues to further improve the monitoring arrangements (see section 3.3.3 above).

3.4.4 ***That a verbal update on the current performance position of Amber and red rated projects be provided in conjunction with each future performance report.*** A prepared verbal update will be given commencing with the 27 September meeting for all Amber and Red rated projects.

3.4.5 ***That officers work with THCVS to provide the framework for performance and enable the projects to transfer successfully to a commissioning basis in future.*** This work is being progressed as a key element of the Voluntary and Community Sector Strategy and will be incorporated into work-plan priorities of the Third Sector Team. Work in relation to Theme 5 has commenced on this basis.

3.4.6 The recommendation has been implemented from this period, period 3, that where a project has been rated GREEN for two or more successive quarters, Grant Officers will process the organisation's payment for the next quarter prior to a verification visit. The aim will be to process payments within a maximum of 10 working days.

- 3.5 Recommendations from previous meetings that apply to this period are set out below:
- 3.5.1 The Payment by Results arrangements were approved at the meeting of 29 July 2015. Details are set out within the report which is available on the Council's website. The agreed arrangements were subsequently reviewed and amended following representation to Commissioners from the Tower Hamlets Council for Voluntary Services. The decision to amend the RAG Rating and related Payment by Results arrangements was taken by Commissioners on 12 January 2016. This process is now being implemented including in Period 3 as set out in this report.

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.

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 7 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 Mile End Community Project, the organisation has been red rated for three (3) monitoring periods and the organisation has not performed as required. These grants are discretionary and as performance measured against the expected outcomes is not satisfactory then it is appropriate for officers to recommend that the approved funding for this project be withdrawn.
- 5.5 As to the Ragged School Museum, the organisation has been red rated for two (2) monitoring periods and the organisation has not performed as required. The organisation has however, requested a significant variation to their targets. If this request is granted then they would be green rated going forward and therefore they would not be a recommendation to withdraw their approved funding. In those circumstances, this request for review should be considered prior to any decision to withdraw funding is currently being reviewed.
- 5.6 As to the Somali Parents and Childrens Play Association, this organisation has been rated red for this monitoring period and which follows two (2) successive amber ratings. In line with the MSG programme requirements, the Commissioners have been recommended to withhold grant funding with an expectation that the project returns to green in the next monitoring period or risk having funding withdrawn in the event that the project remains at red. Again, these grants are discretionary and as performance measured against the expected outcomes is not satisfactory then it is appropriate for officers to recommend that the approved funding be withheld.

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.

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 Summary
- Appendix 2 - Project RAG Status
- Appendix 3 - Beneficiary Data
- Appendix 4.1 - Theme 1 Summary
- Appendix 4.2 - Theme 2 Summary
- Appendix 4.3 - Theme 3 Summary
- Appendix 4.4 - Theme 4 Summary
- Appendix 4.5 - Theme 5 Summary

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

- None

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