


Commissioner Decision Report 17 th January 2016	
Report of: Zena Cooke, Corporate Director Resources	Unrestricted
MSG Project Performance Report – Period 4 - July to September 2016	

Originating Officer(s)	Steve Hill - Head of Benefits Services
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 4 from July 2016 to September 2016. Each project has been classified as either Green, Amber or Red within the council's agreed performance management framework.

Project performance for this period (July to September 2016) shows 117 of the 125 live projects being rated as Green within the Council's performance RAG Rating system. Of the remaining 8 projects, 5 are rated Amber and 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 recommendations 1 and 2 and to 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 and recommendations 3, 4 and 5, together with information set out within the related appendices.
3. Consider the project variation requests as set out in section 3.3.3 of the report and recommendations 6 and 7.

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 125 live projects.
- 3.2 Three projects ended at the end of June. The projects that have ended are:

Mile End Community Project - Female Leadership and Empowerment
Uprising – East London Leadership
City Gateway - Back on Track engagement project

Performance ratings for the live projects throughout the July to September period have been encouraging. A theme by theme summary is set out below.

Theme 1 Summary - Children and young people

There are 57 live projects within this theme of which 54 are rated Green, 1 is rated Amber and there are 2 Red rated projects.

The work of the theme focuses primarily on delivering activities and services aimed at children and young people.

The Red rated projects are

- **Monakka Monowar Welfare Foundation** - Life changing musical and keep fit project
- **Children Education Group** – Berner Football Academy

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

Theme 2 Summary – Routeways to employment & Welfare Advice Services

This theme is made up of 20 projects, 19 of which are rated Green and 1 is rated Amber.

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 – Health and Wellbeing

This theme is entitled prevention, health and wellbeing and is intended to achieve a range of targeted outcomes with a primary focus on what were traditionally referred to as adult services.

This theme is made up of 35 projects, of which 32 are rated Green, 2 are rated Amber and 1 is rated Red.

The Red rated project is

Children Education Group – Harkness Luncheon Club

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

Theme 4 Summary – Third Sector Organisational Development

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

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 – Community Engagement, Cohesion and Resilience

This theme is made up of 10 projects of which 9 are rated Green and the other is rated as Amber.

This theme focus is on community engagement, cohesion and resilience. Projects work closely with local residents to facilitate the building of a stronger, more cohesive, supportive and stronger community.

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

- 3.3 In December a new panel was established with the intention to make monitoring more robust. The Mainstream Grants Spotlight Review Panel will review every Red and Amber rated project. Additionally, the panel will randomly “test check” selected Green rated projects for rating accuracy and assurance. The Panel includes the Tower Hamlets Council for Voluntary Service (THCVS) who were in attendance at the first panel meeting in December; this enabled immediate feedback, information share, awareness and joint working on all the projects discussed. All Grant Monitoring Officers attend the panel and the proposal is to extend an invitation to all Red and Amber rated projects at future meetings. At the December Panel four projects had their ratings revised.
- 3.4 Current project performance is encouraging; 94% of the 125 live projects are rated Green, 4% are rated Amber and only 2% are rated Red.

Key issues affecting period four

- 3.5 Within such a large and diverse Grants Programme, issues and challenges are likely; this last performance period was no exception. The key issues and observations in period 4 are detailed below.

3.3.1 Premises Issues:

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

At the time of writing, only the Children Education Group had not met the required premises conditions from the list of organisations above. Consequently MSG funding continues to be withheld.

Children Education Group update

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

Outside the July to September monitoring period, there has been a recent development in relation to this project. On the 15th December the CEG wrote to the Third Sector Team to advise that as they have not received their MSG funding and as they have exhausted their reserves, CEG have suspended the Harkness Luncheon Club and their Football Academy is being run on a voluntary basis only. A copy of the letter is available at Appendix 3.

As the premises issue remains unresolved the project has been moved to a Red rating.

Recommendation 1:

Based on the above information and taking into account Commissioners directions in respect of premises, Commissioners are recommended not to release MSG to the Children Education Group.

Recent developments/Premises queries

Further monitoring of Mainstream Grants recipients has identified the following organisations in council buildings which are not classed as community buildings.

The organisations are:

- Bethnal Green Weightlifting Club
- Black Womens Health and Family Support (Russia Lane)
- Age UK (Russia Lane)
- Pollyanna (Wapping TRA)
- Weavers Adventure Playground Association's (WAPA) Play On Project
- Tower Hamlets Community Transport (THCT)
- The Shadwell Community Project: Glamis Adventure Playground

Details of the position for each of the organisations will be provided for Grants Scrutiny Committee and the Commissioners Decision Making Meeting.

3.3.2 Red & Amber Rated Projects:

Red rated projects – July to September 2016

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

The 3 Red rated projects for period July to September 2016 are

Children Education Group - Berner Football Academy
Children Education Group - Harkness Luncheon Club

Monakka Monowar Welfare Foundation - Life changing musical and keep fit project

As stated above, the Children Education Group have been rated Red for the above two projects due to premises issues. The group have been performance rated Green for previous periods; however MSG funding has been withheld due to the unresolved premises arrangements.

The Monakka Monowar Welfare Foundation (MMWF) have been rated Red for period 4, this follows an Amber rating at period 3 and two Red ratings for periods 1 and 2.

The organisation withdrew from the project in late October 2016 then suggested revision to outputs and the resumption of project activities in December 2016 if suitable premises could be obtained. Officers provided advice to the group on premises options. The CVS have also been liaising with the organisation; the CVS discussed the whether to withdraw from MSG or not and assisted the MMWF in drafting their withdrawal letter. Feedback from the organisation suggests they feel the MSG process to be burdensome. It is felt that the group are not as organised as other projects within the programme. The project has been given a deadline of 21st December for submission of a variation request and detailed business plan.

Recommendation 3

Commissioners are recommended to consider allowing the Monnakar Monowar Welfare Foundation until 21st December 2016 to provide a detailed business plan and a detailed request for project variation. In the event that this deadline is not met, in light of previous performance and developments in the last quarter, the recommendation is that funding should be withdrawn and the project be closed.

Information related to the above red rated projects is also set out in the related theme Appendix i.e. Appendix 4.1 for Monakka Monowar Welfare Foundation - Life changing musical and keep fit project and Children Education Group - Berner Football Academy and Appendix 4.3 for Children Education Group – Harkness Luncheon Club.

Amber rated projects - July to September 2016

The following 5 projects are Amber rated for this performance period.

The Shadwell Community Project - The People GAP – Commissioners have approved a significant variation request for project, relating to its match funding budget. However, the project remains on Amber again for this monitoring period as the provider has submitted another significant variation request relating to number of beneficiaries. If this latest variation is approved it is expected that the project will move from Amber to Green. This latest variation request is detailed for Commissioners consideration at 3.3.3 of this report.

DeafPLUS

Employment for Deaf and Disabled people in Tower Hamlets (EDITH)

This project was Green at period 3 but has moved to Amber in this quarter where under performance on outputs has been identified due to a late project start and reported staffing issues; however the project is now fully staffed and significant improvement is expected in the coming months. It is anticipated that DeafPLUS will achieve all its targets by the end of the project.

Green Candle Dance Company

Dance for Health at Oxford House

Following recent consideration of a variation request by Commissioners Officers have been liaising with Green Candle Dance Company on redrafting their variation request, particularly around targets. Green Candle attended a constructive meeting with Officers on 14th December 2016 and discussed revisions to their variation request. We anticipate the variation will be available for reconsideration by Commissioners shortly.

Toynbee Hall

Wellbeing in Tower Hamlets

This Project was Amber in period 3 and remains Amber in period 4, however, performance is now on track to deliver all outputs and outcomes. A number of outputs were lower on previous quarters but the organisation has made some staffing adjustments, has moved to a new building, is working to a new action plan and is now making good progress. We anticipate the Project will be Green performance rated by March.

Somali Parents and Childrens Play

Somali Women Engagement Forum

This project has moved from Red to Amber in the last performance monitoring period. A timetable of increased activity is in place to address reduced outputs demonstrated. After a visit found no project in place a number of unannounced activity visits have been undertaken since. These visits have found the project running and have been encouraging although more monitoring is advised to ensure content and quality of sessions. The organisation is engaged in support with the THCVS.

Recommendation 4

Commissioners are recommended to note performance relating to the 5 Amber projects above and agree the projects/organisations be awarded two thirds of MSG funding due, in accordance with the agreed procedures.

Projects which have improved in Period 4 – July to September 2016

The following projects moved from Amber to Green performance ratings during July to September (Period 4).

Teviot British Bangladeshi Association – Opportunity

Wadajir Somali Community Centre – Wadajir Homework Club Two

Toynbee Hall – Well Being Centre
Age UK East London – Friend at Home
Bangladesh Youth Movement – “Live Healthy – Enjoy Life” Bangladeshi
Women Health and Development

Recommendation 5

Commissioners are recommended to note the improvements in respect of the following projects that have improved their performance ratings to Green and will be awarded the appropriate funding commensurate with their Green performance rating.

3.3.3 Project Variation Requests

The Shadwell Community Project – The People Gap

The Shadwell Community Project (SCP) recently submitted a significant variation request relating to matched funding which was approved by Commissioners. SCP has since submitted a further variation request as it has made an administrative error in relation to output figures it originally provided for July to September 2016 and July to September 2017. The variation request can be found at Appendix 5. The original higher levels of beneficiary targets for these periods relate to the organisation’s original application for MSG, which was for a sum of £83,454. The MSG allocation awarded to SCP in 2015 for 2015-18 was £24,999, which is 30% of the MSG that it applied for. SCP only became aware of its mistake through the LBTH monitoring process for the project for Period 4.

The original application had a target of 2,150 beneficiaries. If the proposed variation for beneficiary numbers is approved then beneficiary numbers would be 1,530 (compared to the current number of 1,730). The unit cost for beneficiaries supported for the proposed revised beneficiary numbers is significantly better than that for the original MSG application, being 42% of the original unit cost:

Beneficiary Unit Costs

Application - $£83,454 / 2,150 = £38.81$

Variation request - $£24,999 / 1,530 = £16.34$

Reduction of the numbers for the July-September 2016 and July-September 2017 periods would bring the scheduled numbers for these periods more in line with other periods for the project. This would enable the project to be delivered successfully. The project has been on RED for Periods 1 to 3 due to late monitoring returns for Periods 1 and 2 and incomplete finance monitoring returns for all three periods. The problems in relation to the finance monitoring returns were connected to the original match funding budget for the project which was based on SCP’s original MSG application and was thus at too high a level. Commissioners agreed at their Decision Making meeting on the 8th November that this match funding budget be reduced by 64%. This should assist SCP to make satisfactory finance monitoring returns for Periods 1 to 3 with the support and assistance of THCVS and their nominated Grant Officer.

Recommendation 6

Commissioners are recommended to approve SCP's significant variation request for reduced outputs for Period 4 (July to September 2016) and Period 8 (July to September 2017), enabling the project to move from Amber to Green conditional on SCP having implemented the following actions prior to Grant Scrutiny Sub-Committee meeting on 11th January 2017 and Commissioners Decision Making Meeting on 17th January 2017:

- submission of a satisfactory finance monitoring returns for Periods 1 to 3
- submission of outstanding monitoring information for Period 4
- confirmation of a clear target date for an action plan to improve organisational management and project management. This plan should include appropriate SMART targets
- better communication systems addressing delays in responding to e-mails and telephone calls

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 production of an improvement plan.

Citizens Advice Bureau (East End CABx)

Tower Hamlets Borough Wide Advice (Partnership)

The lead partner for this project, the Citizens Advice Bureau, has advised that the Tower Hamlets Chinese Association has made a request to withdraw from the partnership effective from January 2017. The Citizens Advice Bureau has proposed through their variation request to deliver this contract to the Chinese Community through a partnership with the Tower Hamlets Community of Refugees from Vietnam. The variation request can be found at Appendix 6. The partners would continue the provision of advice to the Chinese community in Tower Hamlets. The budget for the project will not be varied as a consequence of this variation which only applies to one of the delivery partners withdrawing and another being utilised to pick this work up. There are no proposed changes to outputs and/or project outcomes.

Recommendation 7

Commissioners are recommended to approve this variation request enabling the Citizens Advice Bureau to replace the Tower Hamlets Chinese Association with the Tower Hamlets Community of Refugees from Vietnam as delivery partners to provide advice to the Chinese community in Tower Hamlets.

Green Candle Dance Company

Dance for Health at Oxford House

Significant variation request being redrafted and expected shortly.

4. COMMENTS OF THE CHIEF FINANCE OFFICER

- 4.1 This report provides an update on the Council's 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 Monakka Monowar Welfare Foundation, the organisation has been red rated for two (2) monitoring periods in the last four 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 With regard to the Children Education Group and their two projects the Berner Football Academy and the Harkness Luncheon Club, the organisation performance rating has been moved to red due to the fact that no premises agreement has yet been reached with the Children Education Group and the council. This is contrary to Commissioners directions requiring premises agreements to be in place for organisations in receipt of mainstream grants and

operating from council premises and it is therefore 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 - Letter from CEG
- 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
- Appendix 5 – Variation request Shadwell Community Project
- Appendix 6 – Variation request Citizens Advice Bureau

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

- None

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