

**LONDON BOROUGH OF TOWER HAMLETS**

**MINUTES OF THE GRANTS SCRUTINY SUB-COMMITTEE**

**HELD AT 6.30 P.M. ON MONDAY, 29 APRIL 2019**

**COMMITTEE ROOM ONE - TOWN HALL MULBERRY PLACE**

**Members Present:**

Councillor Marc Francis (Chair)  
Councillor Sufia Alam (Member)  
Councillor Kahar Chowdhury (Member)  
Councillor Mohammed Pappu (Member)  
Councillor Andrew Wood (Member) (Leader of the Conservative Group)  
Kim Hayman (Co-Optee)  
Sue Kenten (Co-Optee)

**Officers Present:**

Mark Baigent – (Interim Divisional Director, Housing and Regeneration)  
David Freeman – (Voluntary and Community Sector (VCS) Strategy Manager)  
Ellie Kershaw – (Tackling Poverty Programme Manager, Housing Options)  
Robert Mee – (Interim Voluntary & Community Sector Team Manager)  
Filuck Miah – Strategy and Policy Officer  
Farhana Zia – Senior Committee Officer

**1. APOLOGIES FOR ABSENCE**

No apologies for absence were received from Members.

**2. DECLARATIONS OF INTEREST**

There were no declarations of pecuniary interests from Members.

**3. MINUTES OF THE PREVIOUS MEETING**

The minutes from the meeting held on the 4<sup>th</sup> March 2019 were agreed as an accurate record of the meeting.

**4. CONSIDERATION OF PUBLIC SUBMISSIONS**

The Sub-Committee noted that no public submissions had been submitted to the Committee Officer by the deadline (5:00 p.m. the day before the meeting.)

## 5. GRANTS DETERMINATION SUB-COMMITTEE MEETING REPORTS FOR CONSIDERATION

### 5.1 School Uniform Grant

Ms Ellie Kershaw, Tackling Poverty Delivery Officer introduced the report on the School Uniform Grant for academic year 2019-20. Ms Kershaw informed Members this was a grant for £210,000 per annum which provided support and help to families to purchase school uniforms for children transitioning from Primary to Secondary School.

Ms Kershaw said that whilst in previous years the grant was agreed through delegated authority by the Corporate Director for Resources, the current post holder was seeking confirmation from the Committee for the continuation of this delegation to the grant for 2019/20 and for future years while funding is available.

In response to questions from Members the following was noted:

- The School Uniform Grant is advertised through the Council's Website, word of mouth and via Schools, to parents who have children in the last year of Primary School and are transitioning to Secondary School.
- The Tackling Poverty team are working with the Council's communication team to raise the profile of the school uniform grant scheme and this year are looking to expand the letters sent to parents to include other sources of help e.g. income maximisation and debt counselling.
- The school uniform grants opens in June and payments are made via BAC's.
- In relation to the table at 3.4, Members sought clarification on the decrease number of claims made (that were not paid) between 2016 and 2018. Ms Kershaw stated the main reason for the decrease of non-payment was because the claims did not meet the eligibility criteria. Ms Kershaw added that this year if there was a shortfall, this would be topped up by using the tackling poverty fund.
- Ms Kershaw confirmed the School Uniform Grant Fund was managed by the Education Department but was administered through the Benefits team. She said she would seek confirmation with regard to funding that this underspent.

Members of the Sub-Committee **RESOLVED** to **AGREE** and **ENDORSE** the recommendations to the Grants Determination Sub-Committee to:

1. Approve the provision of school clothing grants in 2019/20 within the budget specified in the report;
2. Authorise the Corporate Director for Resources to approve future grants, subject to budget restrictions.

## **5.2 Homelessness Prevention Procurement Hub (Capital Letters) MHCLG Sub-Grant Agreement**

Mr Mark Baigent, Divisional Director for Housing and Regeneration presented the report on the Homelessness Prevention Procurement Hub “Capital Letters” MHCLG Sub-Grant Agreement. Mr Baigent explained the MHCLG had awarded £37.8M to the programme and as the lead borough Tower Hamlets was the grant recipient.

Mr Baigent said “Capital Letters” had been set up as a limited company on behalf of the 13 boroughs participating in the programme, with the intention the company would work to procure housing for the homeless in London or for those at risk of homelessness.

In response to questions the following was noted:

- The boroughs participating in the programme are Tower Hamlets, Lewisham, Bexley, Croydon, Ealing, Hammersmith & Fulham, Westminster, Haringey, Waltham Forest, Barking & Dagenham, Redbridge, Southwark and Brent.
- The organisation set up to take this programme forward is a “not for profit” company and will operate similar to an ALMO. Tower Hamlets Council spent funding from the previous year to set up the organisation.
- From an audit perspective Tower Hamlets will have oversight of “Capital Letters” activity and performance. Reports will be produced to the relevant Audit and Scrutiny Committees of the Council.
- Mr Baigent stated resources to the Company will be allocated proportionately amongst the boroughs involved. The allocated funding from MHCLG would not meet all the costs but each local authority would be expected to second staff (Tower Hamlets offering 2 staff) or recruit staff to support with the procurement and supply of properties.
- Seconded staff would be from an existing pool of people with relevant experience, for the start-up phase of 2-3 years. Thereafter staff would need to decide if they wished to continue with the company or return back to the council.

- The Sub-Committee enquired about the monitoring arrangements and the levels of risk. Mr Baigent said the Council had a duty to ensure the money is properly spent as Tower Hamlets Council is managing the function on behalf of MHCLG.
- Mr Baigent clarified that a previous report to the Sub-Committee about modular temporary accommodation for the homeless was a separate project and company for delivering 200 homes over 4-5 boroughs. Whereas this programme would be across 13 London boroughs on private lettings.

The Sub-Committee **RESOLVED** to **AGREE** and **ENDORSE** the recommendations to the Grants Determination Sub-Committee to:

1. Authorise the award of grant funding of up to £37.8m to Capital Letters (London) Ltd through a Sub-Grant Agreement; drawing on the grant from the MHCLG awarded to Tower Hamlets, Lead Borough of the Pan-London Homelessness Prevention Procurement Hub programme.
2. Authorise the Corporate Director, Place to enter into grant agreement and make decisions relating to paragraph 1 above.

### **5.3 MSG Project Performance Report - Extension Period 01 (September to December 2018)**

Mr Robert Mee, Interim Voluntary and Community Sector Team Manager presented the MSG Project Performance Report relating to the extension period of September to December 2018.

Mr Mee informed Members there were three red rated projects during this period. The first two projects had not met the condition to have specific safeguarding certification and last had under performed.

In response to questions from Members the following was noted:

- The compliance with the safeguarding certification had been included by the community languages team, when the MSG programme was extended. The Offer Letter for the extension period included this as a pre award condition before payments are made.
- The two organisations rated red did not have safeguarding certificates although the tutors themselves did. However this has been rectified and both organisations have now provided the relevant safeguarding certificate required.
- With regard to Toynbee Hall this was red rated as it was underperforming. It was not complying with the number of workshops needed to support people in the project. However this situation has been rectified with the support of the monitoring officer.

- Mr Mee said a lighter touch performance monitoring process had been introduced for the four month period. All projects receiving over £30K per year had a return substantially the same as previously for this period. Projects to the value between £5K and £30K had one minimum visit per year and projects over £30K had a minimum of 2 per year. The purpose of this was to conduct document verification but acknowledged that frequency of visit could increase if needed as well as contact with the group. Future monitoring returns would include summary reports instead of full reports depending on the level of funding.
- In response to if the new THCVS CEO was involved in the process for the Local Community Fund and involved in the performance monitoring, the Sub-committee was informed that the THCVS CEO was to be involved in the process for the MSG and while not able to attend for this period would be involved in the regular meetings of the grants spotlight review panel for (flagging up) red or amber rated projects.
- Mr Mee also confirmed the text on page 65 of the report was correct however the colour code was incorrect. Mr Mee confirmed that this would be corrected before the Grants Determination meeting of 1<sup>st</sup> May 2019.

The Sub-Committee **RESOLVED** to **AGREE** and **ENDORSE** the recommendations to the Grants Determination Sub-Committee to

1. Note the performance of the Mainstream Grants (MSG) programme as set out in 3.3 -3.6 and the premises update 3.7-3.8.

#### 5.4 Emergency Funding Criteria Revision

Mr Robert Mee, Interim Voluntary and Community Sector Team Manager presented the Emergency Funding Revised Criteria report. Mr Mee said the criteria for Emergency Funding had been revised to include the Council's requirement to have a condition of grant that an organisation should not be a debtor to the Council, in addition to organisations having an appropriate property agreement in place if it was in a council building. The revised criteria for the Emergency Fund would make it available to all organisations regardless of them receiving council funding.

Mr Mee said the Emergency Fund revised criteria was proposing organisations funded by the Council in the previous 2 years, should be eligible for emergency funding on the basis that these organisations would be known to the Council.

A time limited flexibility in the type of funding they can request, due to the changes from the MSG grant to the Local Community Fund (LCF) would be in place. Mr Mee gave an example of staffing. The EFC would be able to

provide flexibility to projects that have been successful with the local community fund but there remains a gap in delivery. For example if the project activity concludes in July 2019 and LCF funding does not start until October 2019. Mr Mee said that in these circumstances certain project related costs could be considered in a time limited framework. The EFC could be applied to organisations that were unsuccessful in applying to the LCF to help the organisation e.g. winding down but not for delivering projects.

In response to questions the following was noted:

- Members of the Sub-Committee highlighted that organisations relying on grant funding may be applying from different sources and sometimes this can lead to unforeseen emergencies. Members questioned what level of debt would be considered as too high or a risk.
- The Sub-Committee noted on page 129 paragraph 3.5 that an organisation 'must not be a debtor to the Council' However members highlighted that business rates set by the council can cause debts and enquired how this can be defined in relation to grants for LCF and MSG. Mr Mee said checks would be made during the assessment of the application and that they would also check with the department who is owed the debt. The Sub-committee felt that sometimes the Council can cause the problems of debt and that the definition of debtor to the council needs to be rewritten.
- Members felt more flexibility was required. The eligibility criteria of having been funding by the Council within the last two years did not seem sufficient and members enquired how many organisations would be eligible. Mr Mee said the two years was considered optimum on judgement.
- In addition Members questioned how the £66K would be distributed amongst organisation that require Emergency Funding especially if a large number of organisations were unsuccessful with the Local Community Fund. Would the Transition out funding be larger than the £66K.?
- Mr Mee said organisations that were not closing down but transitioning to different delivery would benefit from a transitional fund. Equality Impact Assessment on the LCF programme could lead to some organisations being unsuccessful for LCF and therefore some transition funding to aid the change from MSG to a different type of service could be offered. This did not mean closure but some small funding to restructure. Members asked Mr Mee to quantify what modest amount of money means and were informed a few thousands of pounds. The Emergency Fund, even with the proposed revised criteria, is not anticipated to be a 'Transition Fund' for organisations that have been unsuccessful applying to LCF.

The Sub-Committee recognised the Emergency Fund Criteria and acknowledged that it's positive but felt that it needs to offer a more flexible environment to support organisations

- **ACTION:** The Sub-Committee requested for a clearer definition in the report for the 'debtors to the Council' term used. Members requested a clearer understanding around the differences between emergency fund and a transitional fund and the circumstances in which they would be used.

Members of the Sub-Committee **RESOLVED** to **AGREE** and **ENDORSE** the recommendations to the Grants Determination Sub-Committee, subject to the above action, to

1. Consider and agree the revised criteria for the Emergency Funding as detailed in paragraphs 3.5 to 3.12 and appendix A of this report.

## 6. LOCAL COMMUNITY FUND PRESENTATION

Mr David Freeman, Voluntary and Community Sector Manager gave a presentation on the Local Community Fund and Small Grants programme. Mr Freeman said that the Local Community Fund had been co-produced with THCVS and had five main themes. He said the Local Community Fund would be more outcomes focused and 'light touch' contracts would be used to manage organisations. The deadline for the Local Community Fund is 17<sup>th</sup> May and external assessors have been appointed to assess applications. Organisations successful in their bid would be equality impact assessed, with the Chief Executive having delegated powers of decision. Similarly bids for Small Fund Grant launches on the 1<sup>st</sup> May with funding commencing from the 1<sup>st</sup> October 2019.

In response to questions the following was noted:

- The East End Community Foundation (EECF) would be charging 10-12% of the grant value for making assessments of the organisations that have applied for a grant.
- Members enquired why it was outsourced. Mr Freeman said the EECF was chosen to carry out the duties, as it was considered a cost effective method and provided access to the Council's wider portal of providers.
- Mr Freeman confirmed the Small Grant Fund would be assessed by EECF as well. He said the council had awarded the contract to EECF and will be working with them to ensure they perform to the expected standards and deliver what is expected of them.
- Members questioned the governance arrangements in place and the decision making process. Mr Freeman said Cabinet had delegated the

authority to the Chief Executive but decisions would go to Members for approval.

- Members enquired what the role of the Overview and Scrutiny committee would be and said it could call in a Cabinet decision but not a decision made by the Chief Executive. Mr Freeman said the report containing the decisions made would go to the Overview and Scrutiny Committee for comment and endorsement before going to Cabinet. However members questioned what happens if the programme is not endorsed by Cabinet. They were informed that this would depend on the reason e.g. if it is an EIA then the process can be repeated but if this is an assessment process issue then there would be wider implications. The committee had acknowledged that the process is different to the pre 2010.

The Chair Cllr Marc Francis thanked Mr Freeman for his presentation.

**7. SUB COMMITTEE REPORTS FOR CONSIDERATION**

There were no Grant Scrutiny Sub-Committee reports for consideration.

**8. ANY OTHER BUSINESS THE CHAIR CONSIDERS TO BE URGENT**

Councillor Marc Francis thanked Members of the Sub-Committee and Officers present for their contribution to the work of the Sub-Committee and said that the Council's AGM would announce if the Sub-Committee continued in its present form or would evolve into a new committee.

The meeting ended at 8.02 p.m.

Chair, Councillor Marc Francis  
Grants Scrutiny Sub-Committee