

**LONDON BOROUGH OF TOWER HAMLETS**

**MINUTES OF THE GRANTS DETERMINATION (CABINET) SUB-COMMITTEE**

**HELD AT 5.00 P.M. ON THURSDAY, 26 NOVEMBER 2020**

**ONLINE 'VIRTUAL' MEETING - [HTTPS://TOWERHAMLETS.PUBLIC-I.TV/CORE/PORTAL/HOME](https://towerhamlets.public-i.tv/core/portal/home)**

**Members Present:**

Councillor Candida Ronald (Chair)	(Cabinet Member for Resources and the Voluntary Sector)
Mayor John Biggs	(Executive Mayor)
Councillor Sirajul Islam	(Statutory Deputy Mayor and Cabinet Member for Housing)

**Other Councillors Present:**

Councillor Leema Qureshi	(Scrutiny Lead Resources)
Councillor Mufeedah Bustin	Cabinet Member for Planning and Social Inclusion (Job Share) - Lead on Social Inclusion

**Officers present**

Awo Ahmed	(Programme Assessment and Monitoring Officer, Corporate Strategy & Policy, Communities Team, Governance)
Vicky Clark	(Divisional Director for Growth and Economic Development)
Janet Fasan	(Divisional Director, Legal, Governance)
Emily Fieran-Reed	(Senior Strategy and Policy Manager, Corporate Strategy & Policy, Governance)
Ellie Kershaw	(Tackling Poverty Programme Manager, Benefits)
Robert Mee	(Programme Analysis & Review Officer, Corporate Strategy & Policy, Communities Team, Governance)
Zoe Folley	(Democratic Services Officer, Committees, Governance)

**1. APOLOGIES FOR ABSENCE**

Councillor Asma Begum

**2. DECLARATIONS OF INTERESTS**

No Declarations of Pecuniary Interests were reported.

Mayor John Biggs declared a Non - DPI interest in agenda item 7.1, Credit Union Proposals on the basis of possible historic membership of the Credit Union.

Mayor John Biggs and Councillor Sirajul Islam also declared a non - DPI interest on that item on the basis of their previous contact with the speakers on the Credit Union Report in a professional capacity.

**3. UNRESTRICTED MINUTES**

**RESOLVED:**

1. The minutes of the meeting of the Sub – Committee meeting held on 9<sup>th</sup> September 2020 be approved as a correct record of proceedings

**4. CONSIDERATION OF PUBLIC SUBMISSIONS**

There were none

**5. EXERCISE OF MAYORAL DISCRETIONS**

No items

**6. GRANTS DETERMINATION SUB-COMMITTEE TERMS OF REFERENCE, QUORUM, MEMBERSHIP AND DATES OF MEETINGS**

**RESOLVED:**

That the Grants Determination Sub-committee Terms of Reference, Quorum, Membership and Dates of Meetings be noted.

**7. REPORTS FOR CONSIDERATION**

**8. CREDIT UNION GRANT PROPOSAL**

Ellie Kershaw (Tackling Poverty Programme Manager, Benefits, Resources) presented the report seeking grant support for the Credit Union. Also present for this item were Peter Edwards and David Morgan of the Credit Union.

The Committee were advised of the background to the request. It was reported that due to the pandemic, requests for loans from the Credit Union had increased due to increased poverty and unemployment. This had impacted on the Credit Union's Finances and their ratio. The report sought to provide a grant to improve the financial viability of the Credit Union, allowing them to continue to provide safe and affordable loans to residents by obtaining the necessary credit ration required by the Bank of England.

In addition, Officers also considered that the request should be supported to allow future projects with the Credit Union to be carried. It was proposed that the measures would be funded by the Tackling Poverty reserve.

The Committee noted the Overview and Scrutiny's questions on this report and the officers responses, which were attached.

The Committee asked a number of questions of Officers and the Credit Union representatives. In response the following issues were discussed:

- It was confirmed that there had been a rise in Credit Union Members in Tower Hamlets, since the Pandemic and an increase in Member savings.
- In view of these changes, the report requested that the Credit Union is allocated the grant to enable them to meet the Bank of England's savings/credit ration.
- That the Credit Union had a high proportion of members in Tower Hamlets, that benefited from access to low cost loans (compared to the more expensive loan providers)
- The Credit Union wished to carry out further work with the Council to expand and to help the hard to reach groups, through carrying out further advertising and communication and by also investing in the use of 'on boarding'. The representatives thanked the Council for helping them especially during the initial period.
- That the Credit Union offered a number of services, (open to anyone in the community) but with a particular focus on lending. This provided their main source of income. The types of support offered, mostly to low income residents was noted.
- Officers undertook to circulate a breakdown of the loans in terms of what Members used them on.
- Officers also provided updated comments in respect of the Tackling poverty comments in the report, following the receipt of grants. Due to the government providing additional funding and some projects being stopped due to the pandemic, the overall TP budget position is not as low as shown. When updated for this month it will show something in the region of £250k additional funding available compared to the budget that was available before finance comments were made.
- The Committee welcomed the positive relationship between the Council and the Credit Union and thanked the representatives for attending the meeting

**RESOLVED:**

1. That a grant of £100,000 should be made to London Community Credit Union

### **8.1 Local Community Fund (LCF) Project Performance and Annual Update Report – October 2019 – September 2020**

Emily Fieran-Reed (Senior Strategy and Policy Manager) and Robert Mee (Programme Analysis & Review Officer) presented the report. Officers outlined the contents of the report and the Appendices. The following issues were noted:

- Appendix 1 looked at the first 12 months of the programme. All of the projects were rated green. It also looked at the impact of Covid - 19 on project delivery, and the infrastructure capacity projects.
- Appendix 2 presented the annual report.
- Appendix 3 contained the funding agreement. The recent assessment found that no significant variations were necessary, only minor changes, as set out in the report.
- Appendix 4 contained the equalities information. It assessed projects against the original equalities assessment.
- Robert Mee thanked Grants Officers for putting together the report in a short timeframe. He also recognised all of the good work that the projects had undertaken during this difficult time.
- It was commented that it was pleasing to see that the LCF programmes catered for all parts of the community from diverse backgrounds, including those most in need and the report contained examples of this.

The Committee also noted the Overview and Scrutiny's questions on this report, The written answers to the questions would be attached to the minutes

The Committee welcomed the report and also thanked officers and acknowledged the hard work of all the various community organisations during these difficult times.

#### **RESOLVED:**

1. Note the performance of the Local Community Fund programme as set out in 3.2 to 3.4 and Appendix 1 and 2 for Oct 19 – Sep 20.

### **8.2 VCS Funding Awarded Under Delegated Authority**

Awo Ahmed (Programme Assessment and Monitoring Officer) presenting the report and Appendixes advising that there had been no new grants made in this period. It was noted that the written response to the OSC questions were attached.

#### **RESOLVED:**

1. Note the grant funding streams available to be awarded under delegated powers.

2. Note the covid contingency plans that have been agreed in relation to small grants.
3. Note that at the time of reporting there have been no further grants awarded under delegated powers since the last Grants Determination (Cabinet) sub-committee.

**9. ANY OTHER UNRESTRICTED BUSINESS CONSIDERED TO BE URGENT**

None

The meeting ended at 5.45 p.m.

Chair, Councillor Candida Ronald  
Grants Determination (Cabinet) Sub-Committee

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Agenda Item	Item Name + Ward Impacted	Summary of item	Questions from Cllrs + Potential Key Lines of Enquiry	Response
7.1	<p><b>Credit Union Grant Proposal</b> <b>26.11.2020</b> <b>All Wards</b></p>	<p>LCCU exists to <i>Improve financial resilience and reduce poverty within our community</i> by encouraging people to save, giving access to safe and affordable credit as well as providing banking solutions to those excluded by traditional banks. Due to the impacts of the pandemic, it is likely that more residents will need a method of accessing affordable finance. In order to continue to make loans, the Credit Union needs a grant to increase the amount of money it holds in reserves.</p>	<ul style="list-style-type: none"> <li>• “LCCU Annual Report 2018-19” highlights on page 10 that credit union mistakenly paid £85k into wrong account and money was illegally retained. Is there any information on how much money was reclaimed back (not evidenced in Annual Report 2018-19)?</li> <li>• What assurances can be given by LCCU to ensure that the appropriate control measures are in place for the above not to happen again?</li> <li>• What assurances are in place from LCCU to ensure that £100k grant translates in more support for TH residents? Do we know how much grant funding Hackney and Newham are providing?</li> </ul>	<ul style="list-style-type: none"> <li>• £11k was reclaimed from Santander. All possible steps were taken to recover members’ money including:               <ol style="list-style-type: none"> <li>1. Criminal inquiry – Met Police have charged one member of the public who is due to go on trial in 2021.</li> <li>2. Santander – the bank facilitated a small recovery (above) but, following considerable delays, rejected LCCU’s complaint.</li> <li>3. Business Banking Resolution Service – initial feedback is that LCCU is ineligible to lodge a complaint due to its size. However the newly-established BBRS is in a pilot phase and suggested LCCU complete a Registration of Interest, which has been carried out. They are outside the scope of the FOS for SMEs.</li> <li>4. Insurance – LCCU’s claim was rejected because staff sent the payment outside the credit union in</li> </ol> </li> </ul>

				<p>error rather than with criminal intent.</p> <p>5. Litigation – LCCU obtained legal advice that there was no case to pursue Santander owing to the lack of “clear legal duties” owed to the credit union.</p> <ul style="list-style-type: none"><li>• Reports into the loss were carried out for the CEO and board by the following: finance manager; HR manager; and the internal auditor.</li></ul> <p>2. The staff involved in the original error were subject to management review and training. Staff who approve FPS (Faster Payments Service) transactions also received training.</p> <p>3. The process of FPS approvals has been reviewed and amended to reduce risk in high value transactions. All relevant staff received guidance before signing a declaration to confirm understanding of FPS controls</p>
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				<ul style="list-style-type: none"><li>• Around 3,500 active adult members (more than 33 per cent) live in LBTH. Since opening its doors in December 2000 LCCU has supported nearly 18,000 people in the borough and provided over £21m in loans.</li></ul> <p>2. Of those members living in Tower Hamlets:</p> <ul style="list-style-type: none"><li>• 74 per cent are from postcodes where average income is less than £17k</li><li>• 63.5% female, 35.7% male.</li><li>• 39% parents with dependent children.</li><li>• 63% from BAME backgrounds.</li></ul> <p>3. Two of four branches are in Tower Hamlets. Tower Hamlets residents are strongly represented among the membership base, staff and board.</p> <p>4. Ideally the credit union is looking for a grant to help support it through this challenging period.</p> <p>If a Tower Hamlets</p>
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				<p>investment in LCCU growth helped trigger an increase in loans advanced of £500k then this could mean 624 more customers taking an average loan of £800 (repaid over 12 months). Each of the 624 customers would pay £533 less in interest costs at LCCU than if they had gone to Provident, therefore generating a £332k saving for the borough (number of new loans multiplied by interest saving for residents). The interest they earn is reinvested in LCCU to further build capacity to issue more loans.</p> <p>Hackney provides an annual grant of £40k, as well as additional non-cash support, which was agreed several years ago and helps underpin a branch presence. It is subject to periodic review.</p> <p>Newham does not provide a grant to LCCU but the credit union has opened discussions with the borough about ways in which the two</p>
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				organisations can collaborate more closely.  .
7.2	<b>Local Community Fund (LCF) Performance and Annual Report Update Oct 19 – Sep 20</b>  <b>All Wards</b>	The Mayor in Cabinet agreed on 31st July 2019 to a programme of funding for voluntary and community sector (VCS) organisations from 1st October 2019. A total of 50 projects were awarded funding totalling £9.31m up to 31 March 2023 to deliver activity across five themes - Inclusion Health and Wellbeing, Digital Inclusion and Awareness, Information Advice and Guidance, Employment and Skills, Community Safety. The first year of the programme included the Covid-19 pandemic and organisations worked to support residents through this period. Projects have been RAG rated Green for performance with this rating taking account of these circumstances with all projects working towards achieving their outcome targets.	<ul style="list-style-type: none"> <li>• Has there been any in year savings made from offsetting the physical delivery to virtual delivery (Covid-19) by projects? Has there been any underspends which is not in the Annual report for 2019-20?</li> <li>• What impact would there be on Age UK service users (residents) if funding is withheld until lease has been signed? Can they still deliver remotely? Has the project undertaken a risk analysis (low/medium/high) if funding is withheld?</li> <li>• How will you measure performance (benchmark year to year) if PI's change/or get adapted from a cost/benefit point of view?</li> </ul>	As part of the support given by the Council to funded organisations due to the impact of Covid-19 it was agreed to continue to pay scheduled payments from April 2020 and that any underspends on project activity could be carried forward. Officers are supporting groups with their budget planning considering plans to do extra activity or deliver adapted services.  At this stage there are no significant variations that result in reduction in funding.  Funding would not be withheld lightly from projects. Age UK have had a waiver approved by GDSC to

				<p>enable payments to continue from November 2019 despite not having a lease in place.</p> <p>It is being flagged now that this is a possibility so officers can work with the organisation to ensure the implications are understood and to inform future decision making.</p> <p>For the LCF programme overall project performance is assessed with a focus on achieving outcomes. The Performance Indicators need to be a useful way of measuring how successful the project is in achieving its aims and should be regularly reviewed.</p>
7.3	<p><b>VCS Funding Awarded Under Delegated Authority 26.11.2020</b></p> <p><b>All Wards</b></p>	<p>This report provides an update on funding awarded to voluntary and community sector organisations under delegated authority since the last meeting of the Sub-Committee.</p>	<ul style="list-style-type: none"> <li>• Small Grants Programme Access and Participation Theme (Appendix A) indicates IoD Bangladeshi Association applied for £5K to deliver its original project objectives.</li> <li>• Has the £5K funding been solely used (as indicated</li> </ul>	<p>Our commitment in line with the London Funders Pledge which the Mayor has signed up to on behalf of the council is to continue to fund organisations provided they are able to deliver, albeit in an adapted way. This organisation has indicated</p>

			Appendix B)? Is there any underspend as a result of Covid-19 impact and reduced services?	they are still able to deliver their services e.g. over the phone rather than face to face whilst meeting the required outcomes of their project. Any elements not being delivered due to covid restrictions will be paused until restrictions have been lifted and it's safe to deliver their original plans.
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