



Meeting of the

# TOWER HAMLETS COUNCIL

---

Monday, 5 December 2016 at 7.00 p.m.

---

**A G E N D A – VOLUME TWO OF TWO**

---

## **VENUE**

**Council Chamber, 1<sup>st</sup> Floor,  
Town Hall, Mulberry Place,  
5 Clove Crescent,  
London E14 2BG**

### **Democratic Services Contact:**

Matthew Mannion, Committee Services Manager, Democratic Services  
Tel: 020 7364 4651, E-mail: [matthew.mannion@towerhamlets.gov.uk](mailto:matthew.mannion@towerhamlets.gov.uk)



Directorate of Law, Probity and  
Governance

Democratic Services  
Tower Hamlets Town Hall  
Mulberry Place  
5 Clove Crescent  
London E14 2BG

Tel      **020 7364 4651**  
Fax      **020 7364 3232**

[www.towerhamlets.gov.uk](http://www.towerhamlets.gov.uk)

**TO THE MAYOR AND COUNCILLORS OF THE LONDON BOROUGH OF TOWER  
HAMLETS**

You are summoned to attend a meeting of the Council of the London Borough of Tower Hamlets to be held in **THE COUNCIL CHAMBER, 1ST FLOOR, TOWN HALL, MULBERRY PLACE, 5 CLOVE CRESCENT, LONDON, E14 2BG** at 7.00 p.m. on **MONDAY, 5 DECEMBER 2016**

Will Tuckley  
**Chief Executive**

# LONDON BOROUGH OF TOWER HAMLETS

## COUNCIL

MONDAY, 5 DECEMBER 2016

7.00 p.m.

**9 .4 Report from Cabinet: Housing Strategy 2016 - 2021 389 - 588**

To receive the report of the Corporate Director, Development and Renewal, proposing the adoption of the Housing Strategy 2016 – 19.

Note – this report was presented to Cabinet on 1 November 2016, it was subsequently amended and is now presented for agreement.

**9 .5 Report from Audit Committee: Treasury Management Mid-Year Report for 2016/17 589 - 618**

To receive the report of the Corporate Director, Resources providing the Treasury Management Mid-Year Report for 2016/17.

**10. TO RECEIVE REPORTS AND QUESTIONS ON JOINT ARRANGEMENTS/EXTERNAL ORGANISATIONS (IF ANY)**

**11. OTHER BUSINESS**

**11 .1 Revised Code of Conduct for Members and Revised Arrangements for Dealing with Alleged Breaches of the Code 619 - 646**

To consider the report of the Acting Corporate Director, Law, Probity and Governance, in relation to proposed revisions to the Member Code of Conduct.

**11 .2 Licensing Code of Conduct 647 - 688**

To consider the report of the Acting Corporate Director, Law, Probity and Governance updating the Licensing Code of Conduct.

**11 .3 Notification of Amendment to the Executive Scheme of Delegation in respect of Grants 689 - 710**

To consider the report of the Acting Corporate Director, Law, Probity and Governance in relation to amendments made to the Executive Scheme of Delegation in respect of Grants decision making


**11 .4 Review of proportionality and allocation of places on committees and panels of the Council 2016/17** **To Follow**

To receive the report of the Acting Corporate Director, Law, Probity and Governance reviewing the Council's proportionality and allocation of places on committees following the Whitechapel By-Election and other recent political group changes.

The report will be published once the result of the Whitechapel By-Election is known.

**12. TO CONSIDER MOTIONS SUBMITTED BY MEMBERS OF THE COUNCIL** **711 - 720**

The motions submitted by Councillors for debate at this meeting are set out in the attached report.

<p><b>Non Executive Report of Council</b></p> <p>5th December 2016</p>	 <p><b>TOWER HAMLETS</b></p>
<p><b>Report of:</b> Corporate Director Development &amp; Renewal</p>	<p><b>Classification:</b> Unrestricted</p>
<p><b>Housing Strategy 2016 - 2021</b></p>	

Originating Officers	Martin Ling – Housing Strategy Manager
Wards affected	All

**1. SUMMARY**

- 1.1 The Council’s last Housing Strategy ran from 2009 to 2012 and has not been updated since. Under article 4a – Policy Framework of the Council’s Constitution, the Housing Strategy is listed as a discretionary strategy which if produced must be approved by the Council.
  
- 1.2 The Mayor agreed that the Council should work towards the development of a comprehensive Housing Strategy in 2016. A programme of consultation was launched on Monday 16<sup>th</sup> May 2016 with an article in *East End Life* by Mayor John Biggs setting out his concerns with regard to the measures contained in the Housing and Planning Act 2016 and informing residents that the Council will respond by developing a new Housing Strategy. The first stage consultation ran from 16<sup>th</sup> May to 31<sup>st</sup> July 2016. A second stage of consultation ran from September 16<sup>th</sup> to October 10<sup>th</sup> 2016.
  
- 1.3 The Strategy has regard to the duties placed upon the Council by the Housing and Planning Act 2016. In addition it will need to respond to the housing priorities of the new Mayor of London, elected in May 2016. The Council is not statutorily required to have a Housing Strategy but if it chooses to do so it must have regard to Section 333D of the Greater London Authority Act 1999 which requires that any local housing strategy prepared by the Council must be in general conformity with the London Housing Strategy. Officers have met with senior managers at the Housing and Land Delivery Team at the GLA who have provided technical comments on the draft which have been incorporated into Appendix 1. The Council received a letter from the GLA on the 10<sup>th</sup> November 2016 stating that they ‘confirm the GLA considers the strategy to be in general conformity with the Mayor of London’s emerging housing

policies, given that the London Housing Strategy was adopted under the previous Mayor.

## **2. RECOMMENDATIONS**

To adopt the draft Housing Strategy and attached appendices.

### **2.1 REASONS FOR THE DECISIONS**

To enable the Council to meet its statutory housing duties, tackle housing need, improve conditions across all housing tenures and promote partnership working with housing providers, the private and voluntary sectors and residents.

### **2.2 ALTERNATIVE OPTIONS**

The Council could decide not to adopt a Housing Strategy

## **3. BACKGROUND**

At present the Council has the following housing and policy statements:

Allocations Scheme (statutory)	Approved 2013
Tenancy Strategy (statutory)	Approved 2013
Homelessness Statement 2013 /17	Approved 2013
Older Persons Housing Statement 2013 /15	Approved 2013
Overcrowding and Underoccupation Plan	Approved April 2016
Private Sector Renewal Policy	Approved April 2016

### **3.1 Statutory Documents**

As part of the process of producing a new Housing Strategy the Council will need to update its statutory documents. The revisions to the allocations scheme and tenancy strategy will be updated separately. The changes to the allocation scheme are summarised in section 5.1 of the second stage consultation document at Appendix 1 for information.

Conditions with regard to the Tenancy Strategy will be subject to regulations provided by the Secretary of State as set out in the Housing and Planning Act 2016 and will be brought forward in advance of the implementation date which is expected to be April 1<sup>st</sup> 2017.

### **3.2 Other relevant Housing documents**

In addition to the above reports, the Housing Revenue Account (HRA) Medium Term Financial Plan, proposals for the development of a Housing Company and Fuel Poverty Strategy will also be taken to Cabinet separately and programmed accordingly.

### **3.3 Other policy areas have been updated following the consultation process and incorporated into the housing strategy with a separate Homelessness Policy**

and a separate Private Rented Sector Policy produced as appendices. These documents are attached at Appendix 2 and 3.

3.4 The Housing Strategy, is mindful of other strategic plans produced by the Council including:

- The Community Plan
- The Strategic Plan
- The Local Plan
- The proposed Growth Strategy.

Commissioning Strategies relating to vulnerable adults:

- Hostels Plan
- Sheltered Housing Plan
- Accommodation Strategy for people with Learning Disabilities.

Other corporate documents including:

- Health and Wellbeing / Better Care Fund
- Children and Families Plan.

#### **4. Progress to date**

4.1 As set out above, the Council embarked upon a six month programme to develop a new Housing Strategy.

4.2 The programme was launched on Monday 16<sup>th</sup> May 2016 with an article in *East End Life* by Mayor John Biggs setting out his concerns with regard to the measures contained in the Housing and Planning Act 2016 and informing residents that the Council will respond by developing a new Housing Strategy.

4.3 The first stage consultation (16<sup>th</sup> May 2016 – 31<sup>st</sup> July 2016) comprised publication of:

- An online survey for respondents to complete (comprising a short and a long survey, seeking people's opinions and comments on issues that were identified as important to the borough's new housing strategy)
- A housing strategy challenges and options paper
- Internal and external partner consultation programme
- Resident engagement programme.

Both stages of the consultation were successful and informative with a total of nearly 20 public engagements, 15 internal and partner meetings including an all Member seminar and over 450 surveys completed by the public. Several strong messages emerged including:

- Major concern over the shortage of affordable housing in the borough and concern that future higher rents set by the Council and housing associations will force people out of the borough

- Lack of housing choices for young people brought up , living and working in the borough meaning many on average incomes will be forced to stay at home, move out or pay high rents in poor quality private rented housing
- Support for the development of 'living rent' homes for this group at sub market levels on new build schemes developed on council estates
- Concern over population growth, impact on the environment and green spaces and whether vital infrastructure including schools, health centres, waste collection and transport links will be developed to match the needs of the population
- General support for the Council's approach to meeting housing need and homelessness through prioritisation of households in most need and a comprehensive advice service.

A link to the online survey and related papers can be viewed here:

[www.towerhamlets.gov.uk/housingstrategy2016](http://www.towerhamlets.gov.uk/housingstrategy2016)

A full report on the first stage consultation is attached at Appendix 4.

#### **4.4 Comments from Housing Associations and Developers**

A small number of Housing Associations and developers provided written comments on the 2<sup>nd</sup> stage. In summary the comments generally welcomed the focus on a wider range of housing products; stated that London Plan targets (including those for the Opportunity Areas) for the borough be considered as minimum rather than maximum targets; the council should look more closely at 'build to rent' models of housing (i.e., new build private rented housing). Specific responses regarding whether the council should accept commuted sums in return for not requiring affordable housing provision onsite should be considered on a site by site basis as the approach potentially defeated the objective of achieving mixed and balanced communities. These comments will also be considered through the ongoing consultation on the Local Plan.

#### **4.5 Feedback from the Housing Scrutiny Sub-Committee**

The Housing Scrutiny Sub - Committee considered the draft Housing Strategy documents at its meeting on the 10<sup>th</sup> October 2016. The discussion centred on the following issues:

Ensuring access to affordable home ownership options available through the private sector and models such as the Community Land Trust at St Clements hospital in Mile End is considered as future development opportunities arise.

Developing inclusive models for regeneration across both Council and ex Council estates, building on the lessons learnt from the regeneration of the Ocean Estate and Blackwall Reach.



Investigating the use of off-site produced modular housing for use in permanent housing in order to reduce costs.

Ensuring the further development of the Homelessness Action plan takes into account the recommendations of the recent Overview and Scrutiny Commission report.

Concerns over the Council's role in ensuring Registered Providers can be held to account in terms of their contribution to the Council's Community Plan and housing management performance.

Comments regarding the reach of the consultation and whether all groups were able to contribute effectively.

These issues have been broadly covered across the Strategy documents and will be taken forward through the development of the action plans and associated projects.

- 4.6 In total the consultation period lasted 16 weeks through the two stages. In addition to seeking comments on the consultation documents, a series of meeting with partners and representative groups took place and a successful housing conference attended by around 100 people was held on Saturday 1<sup>st</sup> October 2016.

The final draft Housing Strategy was considered by the Mayor in Cabinet on 1<sup>st</sup> November and recommended for adoption at Council on the 5<sup>th</sup> December 2016.

## **5. KEY ISSUES WITHIN THE HOUSING STRATEGY**

- 5.1 The changes in the housing market, pressure on affordability and the impact of the Housing and Planning Act 2016 will all place constraints on the how the Council can respond to the significant challenges ahead with limited resources. Consequently there are difficult choices to make. Set out below are some of the key priorities that have arisen during the development of the Housing Strategy:

- Maximising affordable housing building from all sources of housing supply, with a focus on the borough's three opportunity areas.
- Agreeing how best to allocate homes, balancing different needs including reducing the number of families in high cost temporary accommodation both inside and outside the Borough.
- Setting up a housing company to deliver new homes both inside and outside the borough.
- Exploring the merits of the council buying or developing its own hotel to meet emergency housing needs and to develop directly, or in partnership with Registered Providers, a portfolio of temporary accommodation for homeless households.
- Developing a comprehensive approach to improving conditions in the private rented sector.

- Continuing to develop effective partnership working relationships with Tower Hamlets Homes, housing association and voluntary sector partners, residents and other stakeholders.

## **6. COMMENTS OF THE CHIEF FINANCIAL OFFICER**

- 6.1 This report provides an update on the consultation that has been undertaken on the draft Housing Strategy for 2016 to 2021, and asks Council to approve the adoption of the Strategy.
- 6.2 The Housing Strategy contains various policies and statements setting out a range of activities and priorities for the Council and key partners that will provide a clear focus for ensuring that available resources are targeted to and are in line with these needs. The report also identifies a number of related Council strategies that will inform the development of the Housing Strategy. Similarly it is important to recognise the financial implications and effects of the Housing Strategy in both the Council's Capital Strategy – where the affordability and phasing of investment identified through the Housing Strategy will be established and the Medium Term Financial Strategy where the revenue implications will be reflected. Taken together these will allow members to undertake the necessary evaluation and prioritisation of the Housing Strategy alongside the key priorities as set out in its Corporate Plan.
- 6.3 The implementation of the various elements of the strategy will be subject to the availability of funding, and further reports assessing the financial impact of individual proposals will be submitted in future to the Mayor in Cabinet. Delivery of the strategy will be extremely challenging in the current economic climate, particularly in view of the uncertainty surrounding the implications of the recently enacted Housing and Planning Act where much of the financial detail will only become clear when secondary legislation is published over the coming months. The strategy will require a co-ordinated approach and alignment of funding from all major partners, and will also require that best value is obtained from limited sources of external funding, given that the Council's mainstream resources to support the strategy are extremely limited.
- 6.4 The Council's gross 2016-17 revenue budget for housing related services is £127.253 million, consisting of £2.254 million for Lettings, £35.427 million for Homelessness and £89.572 million for the Housing Revenue Account. The costs of preparation and consultation on the Housing Strategy and its constituent elements are being met from within existing revenue resources.

## **7. LEGAL COMMENTS**

- 7.1 The Council is a local housing authority and pursuant to section 333D(1) of the Greater London Authority Act 1999 ('the 1999 Act') when exercising any function relating to housing or regeneration, the Council shall have regard to the London housing strategy. Section 333D(2) of the 1999 Act provides that any local housing strategy prepared by a local housing authority in Greater London must be in general conformity with the London housing strategy.
- 7.2 The term 'general conformity' is not defined in the 1999 Act. In the context of the 1999 Act, 'general conformity' would allow a considerable degree of

movement between the London housing strategy and the Council's housing strategy. There does not have to be strict conformity but providing that the Council considers or includes the main features or elements of something then that will be sufficient. In that regard, communications have taken place with senior managers at the Housing and Land Delivery Team of the Greater London Authority for their confirmation that the strategy is in general conformity.

- 7.3 A local housing strategy is defined in the 1999 Act as any statement of the local housing authority's policies or proposals relating to housing.
- 7.4 Whilst the Council is not under a duty to have an overarching Housing Strategy, such can reflect the core values and goals and the underlying strategies for achieving them. The overarching strategy can provide clear direction for the Council and its partners in meeting housing expectations.
- 7.5 Further, the Strategy can consider the implications of the Housing and Planning Act 2016 ('the 2016 Act') and which received Royal Assent on 12<sup>th</sup> May 2016 and is now enacted. The Act was published on 23<sup>rd</sup> May 2016 and contains a number of housing impacts for local authorities including provisions on new homes (including starter homes); landlords and property agents; abandoned premises; social housing (including extending the Right to Buy to housing association tenants, sale of local authority assets, 'pay-to-stay', and secure tenancies), planning; compulsory purchase; and public land (duty to dispose). Whilst, subordinate legislation (e.g. Statutory Instruments) is required to introduce relevant sections of the 2016 Act into force, it would be prudent for the Housing Strategy to consider such so as to lessen any potential impacts.
- 7.6 The Housing Strategy is a discretionary policy within the Council's Budget and Policy Framework and therefore its final approval is for Full Council. However, pursuant to the Council's Budget and Policy Framework Procedure Rules, the Mayor as the Executive has the responsibility for preparing the draft plan or strategy for submission to the full Council. It is therefore for the Mayor in Cabinet to recommend the adoption of the strategy to Full Council. This was considered by the Mayor in Cabinet on 1<sup>st</sup> November 2016.
- 7.7 There was no statutory requirement to consult but the Council was required to consider whether a common law duty arose. This common law duty imposes a general duty of procedural fairness upon public authorities exercising a wide range of functions which affects the interests of individuals. On balance, it was considered advisable to consult and this report contains details of such consultation.
- 7.8 The consultation had to comply with the following common law criteria:
  - (a) it should be at a time when proposals are still at a formative stage;
  - (b) the Council must give sufficient reasons for any proposal to permit intelligent consideration and response;
  - (c) adequate time must be given for consideration and response; and
  - (d) the product of consultation must be conscientiously taken into account.

7.9 In respect of (a) to (c) above, this was met. With regard to (d) above, before recommending the Housing Strategy to full Council, Cabinet was required to conscientiously take into account the consultation responses and, in particular, Cabinet had regard to the Consultation Report at Appendix 4 as well as the evidence base at Appendix 5. Full Council will also have to conscientiously take into account the consultation responses prior to adopting the Housing Strategy.

7.13 When deciding whether or not to proceed with the proposals, the Council must have due regard to the need to eliminate unlawful conduct under the Equality Act 2010, the need to advance equality of opportunity and the need to foster good relations between persons who share a protected characteristic and those who don't (the public sector equality duty). To inform the Council in discharging this duty an Equality Assessment will be carried out on the Housing Strategy

## **8. ONE TOWER HAMLETS CONSIDERATIONS**

8.1 An Equality Assurance Impact Assessment has been completed which does not identify any adverse impact of the draft proposals on the equality groups of the nine protected characteristics. A full assessment of individual policies which emerge from the Housing Strategy will be carried out and if any potential negative impacts are identified mitigating actions will be identified accordingly.

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

9.1 The proposals set out in Housing Strategy will be required to align with the Council's Best Value Duty.

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

10.1 The Housing Strategy will have implications for sustainable actions for a greener environment and these will be considered within its development.

## **11. RISK MANAGEMENT IMPLICATIONS**

11.1 The proposals set out in the Housing Strategy will carry risks for the Council. Each action is separately monitored and subject to local risk management conditions by either the Council or its partners.

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

12.1 Well managed housing in secure neighbourhoods can contribute to the Council's ability to reduce crime and disorder in the borough. The Council works with its housing association partners and the police to tackle anti-social behaviour at an estate level and the development of further partnership through the delivery of the Housing Strategy will assist in taking forward this objective.

### 13. SAFEGUARDING IMPLICATIONS

13.1 Not applicable.

---

#### Linked Reports, Appendices and Background Documents

##### Linked Report

- None

##### Appendices

- Appendix 1: Draft 2016-21 Housing Strategy
- Appendix 2: Outline Draft 2016-21 Homelessness Strategy
- Appendix 3: Outline Draft 2016-21 Private Sector Housing Strategy
- Appendix 4: Consultation Report
- Appendix 5: 2016 – 21 Housing Strategy Evidence base
- Appendix 6: Equalities Impact assessment
  
- **Officer contact details for documents:**
- n/a
  
- **Originating Officers and Contact Details**

<b>Name</b>	<b>Title</b>	<b>Contact for information</b>
<b>Martin Ling</b>	<b>Housing Strategy Manager</b>	<b>020 7364 0469</b>

This page is intentionally left blank

# **London Borough of Tower Hamlets 2016–21 Housing Strategy**

## **Building new homes and communities in Tower Hamlets**





## **Introduction from the Mayor of Tower Hamlets**

Housing is the biggest issue facing Tower Hamlets residents – as my postbag and email inbox confirms every day. I spend a lot of time thinking about what the council should do to help.

In this borough we have a wide gap between those with the highest incomes and wealth and those in poverty. We have very high value homes and land values and widespread affordability challenges because our most socially and economically excluded households are on very low incomes.

The shortage of affordable housing has led to high numbers of homeless families and thousands of families still overcrowded. Other households with both physical and other disabilities require our assistance. Although our ageing population is relatively small we expect it to grow, and we have a duty to help this group remain independent within their own homes – or to provide extra care and support where it is needed.

We now have a very mixed economy of providers with a diminishing number of council homes, a large number of Housing Associations providing most of the social housing, a massive growth in private rented housing, and declining homeownership. This has all happened over a relatively short period of time.

This profile presents numerous challenges for us - in terms of both future planning and day to day provision of services - which this Strategy will seek to address.

As Mayor I pledged to build 1,000 new council homes, and to look at helping residents who are being priced out of renting or buying in their local area. I also want to work with housing associations to ensure they are financially sustainable and properly accountable to their residents. I want to support private renters, promoting awareness of private tenants' rights and responsibilities.

This document sets out how we intend to meet these challenges. It is about more than new housing delivery as residents draw on a range of services that the council provides.

**Mayor John Biggs**

## **Executive Summary**

The lack of decent quality, affordable housing is the major challenge the council and its residents and stakeholders currently face. Despite the borough being the top deliverer of affordable housing in any English local authority district over 2012-15, we need to continue to build more homes, but at a price that people can afford. We need to ensure that the homes available to us are allocated fairly and that we explore all options necessary to meet housing need. This strategy focuses also on the standard of private rented housing and how we can improve it, as it is now the largest segment of the housing market. This broader vision to our approach is set out in the *Tower Hamlets Partnership Community Plan 2015*. The Community Plan themes focus on making the borough:

- A great place to live
- A fair and prosperous community
- A safe and cohesive community
- A healthy and supportive community.

To deliver the housing aspects of our vision in the Community Plan, this housing strategy seeks to ensure that:

- there are housing choices for all sections of our diverse community
- the homes people live in are in a decent condition, warm, and weathertight
- the most vulnerable people's housing needs are met in a fair and inclusive way
- all homes are in safe, prosperous and thriving areas
- our response to housing issues is measured and achieves value for money

To deliver this vision, we have broken down our approach into four broad themes, identifying the challenges and setting out the policy actions that we've identified to meet them.

On the first theme, **delivering affordable housing, economic growth and regeneration**, the actions we intend to undertake include:

- Maximising affordable housing building from all sources of housing supply, with a focus on the borough's three opportunity areas
- Using council-owned sites to deliver 100% rented housing combining social target rents and homes at a Tower Hamlets Living Ren, some of which could be developed through a council owned Housing Company or a Housing Company in which the Council retains an interest.
- Developing clear affordable housing policy for market sale, for discounted market sale including Starter Homes and shared equity schemes and subsidised home ownership.

On the second theme, **meeting people's housing needs** the actions we intend to undertake include:

- Refreshing the Common Housing Register Allocation Scheme to widen housing options, giving priority to those in housing need and using private rented housing and other suitable accommodation to meet housing needs
- Developing and implementing an intermediate housing register

- Refreshing our Homelessness Statement into a Strategy and aligning it with the 2016-21 Housing Strategy
- Supporting the development of the Accommodation Plan for People with a Learning Disabilities and supporting the development of accommodation for those with other disabilities and long term conditions including autism
- Contributing to the Council's emerging Ageing Well Strategy which will take into account the housing needs of older people.

On the third theme, **raising private rented housing standards** the actions we intend to undertake include:

- Reviewing existing licensing schemes for the private rented sector, in particular to explore options for an additional scheme for houses in multiple occupation and to analyse the need and feasibility of a wider selective licensing scheme.
- Developing enhanced support for landlords to improve the quality of housing and management in the Private Rented Sector, and promoting tenants' awareness of their rights
- Refreshing the Private Sector Housing Renewal Policy 2016 – 2018 to increase partnership working in line with the Better Care Fund approach and to address empty homes issues.

On the final theme, **effective partnership working with residents and stakeholders** the actions we intend to undertake include:

- Making a decision on whether to extend the council's management agreement with Tower Hamlets Homes
- Developing more effective working with registered providers operating in the borough delivering local priorities in order to ensure they remain local, independent and accountable to residents
- Continuing to work with Tower Hamlets housing stakeholders to ensure that residents' needs and aspirations are reflected in the work that they undertake; that residents have the opportunity to have their voices heard; and that up to date and accessible housing advice is given to residents impacted by the continuing roll out of welfare reform.

Tower Hamlets has a diverse population made up from people from a wide range of ethnic groups, a large proportion of younger people and a relatively low number of older people compared to the rest of London and Great Britain. There is substantial child poverty, extreme disparity in individual wealth, some poor health indicators and a significant number of residents have long term disabilities. The Strategy aims to take into consideration the needs of all these communities and we have carried out an overarching Equality Impact Assessment on the actions contained within the key themes. As individual policies and actions emerge, these will be further tested to ensure that none of our diverse communities are adversely impacted through the delivery of the Housing Strategy.

For a full list of the council's proposed actions see Section 10 of this document.

The rest of this document sets out in more detail on all of the 33 actions we propose to undertake to meet the objectives we have identified.

## **Index**

- 1. Our vision for housing in the borough**
- 2. A snapshot of the housing evidence base**
- 3. Working with the Mayor of London against the wider national policy backdrop**
- 4. Delivery Theme 1 – More affordable housing, economic growth, and regeneration**
  - 4.1 Building new homes: local plan policy
  - 4.2 Outcomes from the Mayor of Tower Hamlets’ Housing Policy and Affordability Commission
  - 4.3 Funding new council homes, estate regeneration and other affordable housing
  - 4.4 Increasing and widening housing supply and choice
  - 4.5 Energy efficient, high quality, well designed affordable homes
  - 4.6 Modular Housing
  - 4.7 Self build and custom housing
  - 4.8 Regeneration and fostering a community spirit
- 5. Delivery Theme 2 - Meeting people’s housing needs**
  - 5.1 Common housing register allocation scheme
  - 5.2 Intermediate housing register
  - 5.3 Homelessness Strategy
  - 5.4 Tenancy Strategy, including fixed term tenancies
  - 5.5 Tackling overcrowding
  - 5.6 Older people’s housing needs
  - 5.7 Supported housing and use of temporary accommodation
  - 5.8 Housing for people with disabilities and long term health conditions, including autism
  - 5.9 Project 120 – meeting the needs of people who use wheelchairs
  - 5.10 Gypsies and travellers
  - 5.11 Young people and housing
  - 5.12 The Waterway Community
- 6. Delivery Theme 3 - Raising private rented housing standards**
  - 6.1 Landlord licensing scheme
  - 6.2 Closer working with private landlords including promoting accreditation
  - 6.3 Private sector housing renewal policy 2016/21
  - 6.4 Housing conditions: investigation and enforcement
  - 6.5 Promoting the rights of private tenants
  - 6.6 Other private sector housing issues
- 7. Delivery Theme 4 - Effective partnership working with residents and stakeholders**
  - 7.1 Tower Hamlets Homes and the council’s tenants and leaseholders
  - 7.2 Tower Hamlets Housing Forum – working with our registered provider partners
  - 7.3 East London Partnership and other local authorities
  - 7.4 Private sector development partners
  - 7.5 Third sector partners
  - 7.6 Helping to deliver healthier communities
  - 7.7. Working with our residents
- 8. Our approach to equalities**
- 9. Financial Overview – Resourcing the delivery of the housing strategy**

## 10. Action Plan & Glossary

### **Section 1 – Our vision for housing in the borough**

1.1 In setting a vision for housing, we need to ensure it sits within a broader vision for the borough's residents and the many stakeholders we work with. These stakeholders include public and private employers, housing associations, advisory agencies, services providers and people who work in the borough but who don't live here. This broader vision is set out in the *Tower Hamlets Partnership Community Plan 2015*. The Community Plan themes focus on making the borough:

- A great place to live
- A fair and prosperous community
- A safe and cohesive community
- A healthy and supportive community.

1.2 These are the broad thematic headings that provide the direction for what the council does and this housing strategy seeks to fit strategically with it. Residents' comments in the Community Plan under the heading *Housing for all* are as follows:

*Residents are worried about the affordability of homes being developed in the borough, with many households on low wages feeling that they are beyond the reach of most people who want to live in Tower Hamlets. Suitable housing options that meet the needs of people with learning disabilities, mobility issues or mental health problems are specific challenges.*

*Residents want the partnership to secure the continued existence of mixed communities through supporting a range of affordable housing choices that reflect the people who live and aspire to reside in the borough. They also want less development of high value housing which promotes gentrification and creates a divide, leaving certain communities behind.*

*Residents also highlighted the importance of issues such as drugs misuse and anti-social behaviour which can blight individual and community life on estates, and emphasised how good housing and good living conditions are fundamental to wellbeing and cohesion.*

Source: *Tower Hamlets Partnership Community Plan 2015* (Page 21)

### **1.3 Consultation Feedback**

The first stage consultation was both successful and informative with a total of 15 public engagements, 10 internal and partner meetings including an all Member seminar and over 400 surveys completed by the public. Several strong messages emerged including:

- Major concern over the shortage of affordable housing and concern that future rents set by the Council and housing associations will force people out of the borough
- Lack of housing choices for young people brought up, living and working in the borough meaning many on average incomes will be forced to stay at home, move out or pay high rents in poor quality private rented housing
- Support for the development of 'living rent' homes for this group at sub market rent levels in new build developments and on council estates

- Concern over population growth, impact on the environment and green spaces and whether vital infrastructure including schools, health centres and transport links will be developed to match the needs of the population
- General support for the Council's approach to meeting housing need and homelessness through priority and advice.

**1.4** A clear majority of residents are in broad agreement with the direction set out in the Stage 1 options and challenges paper, supporting the development of truly affordable housing that meets the needs of a range of people in the borough in need on low to median incomes. It is also clear that residents are dissatisfied with many aspects of private rented sector housing and want the Council to intervene where possible to improve the quality of the sector in the borough. From the Stage 1 options paper, we developed a more detailed strategy which we consulted further on. The second consultation process included a residents' conference addressed by the Mayor of Tower Hamlets. At that event, we were told that residents were concerned about:

- the lack of new housing that is genuinely affordable
- council housing under attack from central government
- tenants in the private sector having to move regularly
- housing associations that were merging and whether this might lead to a deterioration in local service delivery and accountability
- estates owned by housing associations were being proposed for redevelopment without residents' support
- the growth of private rented housing and the activities of letting and managing agents
- anti-social behaviour by occupiers of homes sold under the right to buy
- the need for more but focused licensing of private landlords
- the need for residents to better informed about the likely impact of the Housing and Planning Act 2016

## **1.5 The council's response**

We've sought to take account of these views in this document. They reflect the wide impact that housing has on people's lives. What we seek to do in this document is to set out how we think we can meet them as far as we can, within the constraints of the resources we have at our disposal and the environment in which we operate. Some of these services we have to provide, so in some instances it's about how we provide the services not whether we provide them. As part of the strategy development process, we've taken time to talk to other service providers to ensure that there is connectivity and coherence between the various strategies and plans that the council is responsible for or choose to adopt. Some of the issues flagged to us are as follows:

- The council's *Children Looked After Strategy 2015-18* identifies the council as the Corporate Parent for children who can't live at home, including where teenage pregnancies occur. The key contribution that housing can make is assisting with finding a secure, settled home for care leavers when they become adults providing a platform for employment opportunities.
- Meeting the needs of troubled families is also a corporate priority as the fall-out from a family struggling to sustain itself can have major social and financial impacts across a range of areas – health, housing, education – and therefore early, proactive interventions will be necessary to mitigate any negative impacts that emerge.

- Pupil Place Planning is about how the council's statutory duty to provide and plan for school places is managed. With the high population growth expected in the borough this is a critical issue. Clearly housing plays an important role here as the number of bedroom spaces in a given development, particularly with the affordable housing, will strongly influence what local demand there will be for school places. So there's a strong need for planners, housing and education stakeholders to work collegiately to ensure that the best outcomes for the borough's residents are sought.
- Anti-social behaviour, crime and the impacts of the fear of crime has a profound impact on people's well-being, particularly older members of the community and we need to make sure that individual agencies' approaches coalesce to maximum effect.
- The housing needs of people with learning difficulties and autism are currently not being met, so the council is committed to developing and implementing an accommodation plan to address this. This will involve council officers working corporately with specialist agencies to develop sustainable housing options for this need group.

## 1.6 Next Steps

In terms of the physical development of the borough, the key document to take account of is the Local Plan, the Council's strategic planning development document. The Local Plan sets out where new homes, offices, schools and transport will be located and what policies will guide their development. A new version of this document is currently in draft form and is referred to below in section 4. It's an important document because it sets out in broad terms where the majority of new homes will be built in the borough up to 2025 and what kind of homes they should be. The Local Plan will need to be in general conformity with the Mayor of London's London Plan and will eventually need to be signed off by the Government. It is important that the council is mindful of competing regional and national priorities and policies when developing its own housing plans.

- 1.7 In conclusion, when considering the development and implementation of the housing strategy, we should be ambitious in what we seek to achieve, generating added value wherever possible, but realistic also given the financial restraints. In that vein, a workplan will be developed that is resourced and realistic. For the purposes of this document, our housing vision for the borough is as follows:

Tower Hamlets Council wants to ensure that:

- there are housing choices for all sections of our diverse community
- the homes people live in are in a decent condition, warm, and weathertight
- the most vulnerable people's housing needs are met in a fair and inclusive way
- all homes are in safe, prosperous and thriving neighbourhoods
- that our response to housing issues is measured and achieves value for money

To deliver this vision, we have broken down our approach into four broad delivery themes, identifying the challenges and setting out how we're going to meet them. The themes are:



- Delivering affordable housing, economic growth, and regeneration
- Meeting people's housing needs
- Raising private rented housing standards
- Effective partnership working with residents and stakeholders.

**1.8** In meeting these challenges, the council needs to have in place effective partnership working with residents and stakeholders including the Greater London Authority, housing associations, developers and the voluntary sector to help deliver them. We may also need to consider different commissioning processes to achieve what we want, using innovative approaches that private sector or social enterprises can help deliver the outcomes we are seeking. This is in effect a cross cutting theme to all our work, because if we don't work in partnership, we won't successfully meet the challenges that we have identified.

## **Section 2 - A snapshot of the housing evidence base**

### **Headlines**

- More than 19,000 households on the housing register.
- More than 9,000 people in substantial housing need.
- 44% of households in income poverty.
- Population of Tower Hamlets to increase by 26% by 2026.
- The average cost of a property in LBTH is more than 14 times (£450,000) what a typical essential worker could earn in wages (£35,000).

### **Housing Register**

- 53.75 % of households are in priority categories 1 and 2.
- 7,078 of these households are over-crowded.
- 52.3% of all households on the register are Bangladeshi families.
- 506 residents on the register are under-occupying by two rooms or more.
- There are over 232 households with a need for wheelchair adapted property in category 1a and 1b.

### **Homelessness**

- There are nearly 2,000 households in temporary accommodation of which over 1,000 are housed outside the borough.
- In 2015/16 the Housing Options Team made 656 homeless decisions, this is 15% down on decisions made in 2014/15. Of the 656 homeless decisions made, 522 were accepted as homeless
- In 2015/16, 78 households were intentionally homeless and in priority need, for the same period that 522 households were unintentionally homeless and in priority need – this is a reduction of 27% compared to 2008/09
- During 2014/15 the Housing Options Team prevented over 672 households becoming homeless
- Recorded rough sleeping has increased from 4 in 2013; 6 in 2014; and 12 in 2015

### **Lettings**

- Nearly 8,500 homes have been let in Tower Hamlets over the past four years.
- 58% of all homes let through choice during 2015-16 were let to an over-crowded household.

### **Housing Stock**

- The housing stock in Tower Hamlets has increased by 27% since 2003; there are now almost 121,000 homes in the Borough.
- In 1986 around 82% of all homes in Tower Hamlets were Council/ GLC owned, today only 10.9% of the stock is Council owned and for the first time in the Borough's history, less than half the housing stock is social housing.
- The private rented sector is now the fastest growing housing sector in the Borough; it has risen from 18.3% of the stock in 2003 to around 39% of the stock in 2014.
- There are close to 9,000 ex-right to buy leasehold properties managed by Tower Hamlets Homes in the Borough. Overall, there are more than 15,000 leasehold properties formerly owned by the Council.
- There are an estimated 2,800 intermediate housing units in the Borough.
- The Borough is growing by over 3,000 homes per year, making Tower Hamlets the quickest growing Borough in London. Consequently the borough qualifies for the highest level of New Homes Bonus in the country.

- Tower Hamlets over the 2012-15 period has delivered the most affordable homes in an English local authority area with 2,560 affordable homes, higher than any other borough in London and 25% more than England's second city, Birmingham which delivered 1,920 affordable homes.

### **Private sector Stock**

- As of 2011, Tower Hamlets had approximately 67,209 homes in the private sector, of which 62% are in the private rented sector.
- Private rented is now the largest tenure in the borough with 39% of the housing stock. The London average is 25%.
- Borough median rents per week in 2016 were as follows: Studio - £290; 1 bedroom - £334; 2 bedroom - £420; 3 bedroom - £522; 4 bedroom - £667.
- Around 16% of properties are over-crowded while 39% are under occupying.
- Approximately half the leasehold stock sold under right to buy is now privately rented.
- Approximately 37% of the private stock was built post 1990.
- 19% of the borough's stock failed the decent homes standard in 2011 compared with 35.8% nationally
- Approximately 350 Houses in Multiple Occupation in the borough are large enough to require mandatory licensing; all but around 65 of these have a current licence
- 30% of all category one hazards are in HMOs.

### **Future Housing Delivery**

- Tower Hamlets has an annual housing target of 3,931 set up the Greater London authority and is expected to accommodate an additional 39,310 homes by 2025

### **Demographics and Housing Need:**

- Ethnic minority households in the Borough are disproportionately affected by homelessness. In 2015/16 80% of households accepted as homeless were from ethnic minority groups. However, ethnic minority groups account for 69% of the Borough's population.
- Ethnic minority households account for over 70% of households on the Housing List, and the majority of those that are overcrowded.
- Ethnic minority households are, on average, larger and more likely to be overcrowded.
- Bangladeshi households are, more likely to be homeless than any other ethnic group in the Borough. Though only accounting for 30% of the population, 59% of households accepted as homeless in 2015/16 are Bangladeshi.
- Black households in the Borough are also disproportionately affected by homelessness when compared to the population as a whole. Black households make up 16% of households accepted as homeless, but represent 7% of the Borough's population.
- The largest age groups accepted as homeless are the 16-24 and 25-44 age groups (with the latter being the largest), though the numbers of acceptances from these groups have dropped significantly – again a reflection of overall reductions in homeless acceptances.
- Acceptances for the 25-44 age group have seen a steady decrease. Homeless acceptances for this age group went from 454 in 2008/9 to 349 in 2015/16, a 33% reduction.
- The number of homelessness acceptances made as a result of a member of the household having a physical or mental disability has decreased dramatically between 2008/9 from 97 households to 18 households in 2015/6. The percentage of acceptances as a result of vulnerability due to a disability is 3.4%. However, this is the third largest priority need group, behind those with dependent children and pregnant women.
- The percentage of residents 65 and over in the borough is 6% compared to London's 11%.

<sup>1</sup> All data has been taken from the 2016 LBTH Housing Evidence Base

### **Section 3 - Working with the Mayor of London against the wider national policy backdrop**

#### **3.1 Mayor of London**

Sadiq Khan was elected as the new Mayor of London on 5<sup>th</sup> May 2016. Meeting housing need is one of his key objectives and the Council will work closely with him over the next four years. Set out below are his election commitments and the Council has considered these in developing this Housing Strategy:

- **Homes for Londoners** - The Mayor will set up a new team at City Hall dedicated to fast-tracking the building of genuinely affordable homes to rent and buy.
- **Putting Londoners first** - The Mayor will set a target for 50 per cent of all new homes in London to be genuinely affordable, and use mayoral powers and land to stop 'buy-to-leave' and to give 'first dibs' to first-time buyers and local tenants. He will aim to end the practice of thousands of homes in new developments being sold off-plan to overseas investors each year.
- **More investment in housing** - The Mayor will support housing associations in their plans to ensure a significant increase in housing delivery.
- **Land for homes** - The Mayor will bring forward more land owned by public bodies like Transport for London and use the Mayor's new homes team to develop that land. This will enable more homes to be built where they are needed, rather than where developers think they can make the most money.
- **London Living Rent** - The Mayor will create a new form of affordable housing, with rent based on a third of median local income, not market rates. A new form of tenure, more affordable and giving Londoners the chance to save for a deposit.
- **Action for private renters** - The Mayor will establish a London-wide not-for-profit lettings agency to promote longer-term, stable tenancies for responsible tenants and good landlords across London.
- **Action on Landlords** - The Mayor will work with boroughs to set up landlord licensing schemes – naming and shaming bad landlords and promoting good ones.

In the meantime, the Council needs ensure that its housing strategy is in general conformity with the former Mayor of London's adopted Housing Strategy (October 2014). This focused on meeting the needs of London's growing population. The Strategy aims to almost double housebuilding to at least 42,000 homes a year for the next twenty years. This challenge formed the core ambition of the former Mayor's Housing Strategy – formally adopted in October 2014.

The strategy also aimed to better reward those who work hard to make this city a success by:

- massively increasing opportunities for home ownership.
- improving the private rented sector.
- ensuring working Londoners have more priority for affordable homes to rent

At the same time, the strategy reiterates the previous Mayor's long-standing commitment to address homelessness, overcrowding and rough sleeping.

### **3.2 London Living Rent & Homes for Londoners**

The new Mayor of London's housing commitments are ambitious and some of the building blocks are already being put in place.

The council supports the broad approach and specific commitments the new Mayor of London has made, but we appreciate that it will take some time to implement new strategies and policies to make the needed difference. At the time of writing the council understands that the Mayor of London intends to consult on a new Affordable Housing Supplementary Guidance document that should help maximise affordable housing delivery through the planning process. This is likely to be an early step of a wider process to refresh the London Housing Strategy and the key planning document that sits behind it, the London Plan.

The council is likely to support any effort on the part of the Mayor of London to maximise affordable housing delivery and the council is already using its own resources to help do so. But we need to ensure that the interests of the borough's residents are at the fore when discussing and negotiating any changes that are proposed. Our concern is that there will be insufficient funds available for affordable rented housing, but we recognise that government policy is mainly responsible for this. It may well be that the only funds available to deliver new homes for affordable rented purposes will be from the council or through S106 projects. To help increase the amount of affordable housing developed, the council has decided to use its own money to build its own new homes on council-owned land, described in more detail in Section 4.3 of this document.

In September 2016, the Mayor of London set out more detail on his approach to the London Living Rent intermediate housing product. This product will be aimed at working households earning between £35,000 and £45,000. Rents will be based on a third of average (median) local gross household incomes. Assured Tenancies of up to five years with annual inflation-linked rent increases will be adopted, although landlords will be able to adopt their own approach without recourse to Mayoral funding support. The Mayor of London has indicated that boroughs will be able to set their own local priority frameworks (effectively local allocations policies) which will be subject to Mayoral approval. It is highly likely that a proportion of allocations will be allocated on a Pan London basis, so some negotiation will be needed as to what proportion will be acceptable, appreciating that some residents from Tower Hamlets will want to apply for homes in other boroughs. Such an approach will need to be factored in to the council's approach to its proposed intermediate housing register for working households on low to medium incomes (See Section 5.2).

More detail will be published by the Mayor of London later in 2016 in an investment prospectus and draft affordable housing supplementary planning guidance (SPG).

### **3.3 Wider national policy context**

In May 2016, the Queen gave royal assent to the Housing and Planning Bill which will have a significant impact on our strategy. The council was opposed to many aspects of the Bill prior to it becoming an Act of Parliament, as we think it had very little positive to contribute to meeting affordable housing need in the country and in Tower

Hamlets itself. However it is now legislation that we need to take account of and implement when and where necessary.

The Act includes requirements to:

- Charge higher Pay to Stay rents to council tenants on household incomes of over £40,000 a year. On the 21<sup>st</sup> November it was announced that this will now be discretionary for Councils to introduce for their tenants.
- Require council planners to allow a new 'affordable' home product called Starter Homes at 20% below market cost but for sale at no more than £450,000 which will replace other forms of affordable housing.
- Make fixed term tenancies mandatory for new council tenants.
- Require Councils to consider selling higher value council homes to fund the extended right to buy for housing association tenants.

This Act and associated interventions detailed in the Government's 2015 Spending Review, such as the four year 1% rent reductions and wider welfare reform changes (including the rolling out of the Universal Credit and reduction in the Benefit Cap to £23,000 per year) will present major challenges to all stakeholders in the borough – residents, housing associations, advisory agencies and the council itself. Resources for building new affordable housing through the Greater London Authority's investment programme are likely to be limited, with the government's focus on affordable home ownership rather than affordable or social rented housing.

### **3.4 The council's response**

In considering our response, we're particularly concerned:

- For our residents, the continuing roll-out of Universal Credit (which combines six existing benefits into one), the cap of £23,000 benefit entitlement to be introduced Autumn 2016 for non-working households, and the reduction in benefits to disabled people. We're also concerned about government proposals to limit benefit entitlement to the local housing allowance for vulnerable people in supported housing and to reduce housing benefits for single people under 35 in social rented housing to the shared room local housing allowance.
- For our council stock, the requirement by the government to fund the extension of the right to buy for housing association tenants (nationally, not just in Tower Hamlets) using the sale proceeds of much needed council homes that become empty.
- For the investment plans of social landlords, including Tower Hamlets Homes, following the reduction of social rents that can be charged for the four years starting in 2016/17 which will impact organisations' ability to invest in their stock and build new affordable homes.
- For the development of new affordable homes for rent, given the government's focus on home ownership, including Starter Homes which are likely to be priced at up to £450,000, which the council doesn't consider to be affordable to local people which will be available to any eligible person – principally first time buyers under the age of 40 in the United Kingdom – on a first come first serve basis.

This housing strategy is about how we intend to meet these new challenges and those that we continue to face. Our response will involve the council using any resources at its disposal to bring forward the development of new affordable housing

and ensure that those who live in it presently are able to continue to afford to living in their home.

This will mean increasingly working on the basis of what resources the council and its partners, particularly local housing associations, have to work with. There can't be any realistic expectation that there will be a future windfall of government grant to fund what we know we need, underpinned by the evidence set out in the snapshot of housing need.

### **3.5 Managing the impact of gentrification**

One recurring theme that has emerged from the initial consultation process is around a feeling amongst longstanding residents of disconnection. The trend of what many call gentrification is making many people feel disconnected from the places in which they live. The vast resources that have been channelled into the borough over last 30 or so years has led to a vastly improved transport network; places that have been regenerated and transformed beyond recognition; and the emergence of Canary Wharf as a financial capital to complement the City of London. But the change has arguably not benefitted the neediest and the idea of a 'trickle down' regeneration effect where private sector investment leads to positive social outcomes has arguably had only a marginal positive effect. And we have a situation whereby many local people on low to medium incomes seeing further development and regeneration not as something to be welcomed, but something that changes things for the worse.

### **3.6 Managing expectations in a fast changing environment**

The reality is that we will need to find a way of finding the right balance to take forward the existing model of private housing development funding affordable housing that delivers affordable housing that people both need and want.

These are some of the challenges that the council has to wrestle with when considering residents' needs and aspirations which continue to grow, but the resources at our disposal to meet them are diminishing.



## **Section 4 – Delivery Theme 1 - More affordable housing, economic growth and regeneration**

### **Why this is important**

The Council believes that the provision of suitable housing for people that is decent, warm and weathertight is a fundamental right. Tower Hamlets is at the forefront, regularly delivering the highest amount of affordable housing nationally for what is one of the geographically smallest boroughs in the country. Twinned with this is meeting the parallel challenges of delivering economic growth and regeneration that benefits local people. For ongoing investment to be successful and sustainable, the benefits need to go beyond the bricks and mortar of housing, essential though the housing is. A new facet to the challenge is sustaining delivery in what is a difficult environment with limited public funding available for new affordable rented housing. The prospects for the residential housing market currently look uncertain and we need to be flexible about how we approach the housing delivery work that we have been successful in achieving in the past.

Population growth, meeting housing need locally and the requirement to contribute to meeting housing demand across London all point to the continued development of thousands of new homes in the Borough over the next ten years.

This section sets out the strategy in terms of number of homes, the broad location, and the type and cost of affordable accommodation in the borough which we aim to develop. We also set out how we want to see economic growth and regeneration calibrated to help meet residents' broader aspirations. Much of the economic growth and regeneration in the borough is housing-led, so we need to ensure that this kind of investment gives us more than new affordable housing, important though this is.

### **4.1 Building new homes: local plan policy**

During December 2015 to February 2016 the Council undertook the first stage of consultation on its new Local Plan which is the key planning document for the borough. The Plan should make clear what development, e.g., homes, offices, schools, is intended to happen over a certain period; where and when this development will occur; and how it will be delivered

#### **Our Borough, Our Plan – A new Local Plan First Steps (Dec 2015)**

Responses to the consultation document have been received and considered. A further, more developed version of the Draft Local Plan will be consulted on in late autumn 2016. The aim is to adopt the final Local Plan document, subject to secretary of state approval, by early 2018.

The December 2015 document stated that:

*Tower Hamlets is expected to contribute a minimum of 39,310 new homes, approximately 10 per cent of the London housing target, by 2025. The borough's ability to supply land for housing in these quantities is becoming increasingly limited as a significant proportion of our available sites have already been developed. Land also needs to be secured to support the delivery of new infrastructure, such as schools, open spaces, health centres and transport links to create sustainable communities – Our Borough, Our Plan – A new Local Plan First Steps (Dec 2015)*

The borough is required by national policy to maximise housing delivery and the target we have is one set by the Greater London Authority (GLA) and detailed in the London Mayor's London Plan. The borough currently has around 121,000 homes, so adding a further 39,310 by 2025 is going to have a major impact and add additional pressures on the current social, economic, environmental and transport infrastructure. This means that planning applications for new homes need to include proposals (or funding) for additional infrastructure to cope with the new communities that are created. In addition, there is an increased call on the services that the council provides which need to be planned for.

### **London Plan and the National Planning Policy Framework**

What we set out in the final housing strategy will inform the housing policies in the Local Plan and help implement them, The Local Plan document and associated guidance documents are the key local documents referred to when considering planning decisions. The Local Plan must be in general conformity with the London Plan and also the Government's National Planning Policy Framework (NPPF). The Local document needs to be supported by a number of documents, which include the Strategic Housing Market Assessment (SHMA) and the Strategic Housing Land Availability Assessment (SHLAA). The SHMA assesses the future amount of affordable and market housing need in the borough and the SHLAA assesses where the new homes to meet that need can be located.

Until the Plan is adopted the draft planning documents will be considered as emerging policy but have no material weight in decision making. The adopted housing strategy influences current and emerging planning policy but will not determine it.

### **Tower Hamlets' affordable housing target**

At present, the council has a strategic target of affordable housing of 50% from all new housing developments. Between 35% and 50% affordable housing will be sought from sites of over 10 homes. Of the affordable homes developed, 70% should be below market rented purposes and the remaining 30% for intermediate purposes (see glossary for more detailed definitions). For clarity, the GLA London Living Rent accommodation should be treated as intermediate housing and private rented accommodation should be considered market housing.

Due to national and regional planning policy and financial viability arguments made by developers, supported by the government's NPPF position on sustainable development, it is a challenge to deliver affordable housing within that range. Due to the significant proportion of housing that is proposed by private developers, which historically has yielded a large amount of affordable housing through what are called s106 agreements, the council will need to continue maximising affordable housing from this source.

### **Housing and Planning Act 2016 and Starter Homes**

This will prove increasingly difficult with the policy changes the government has brought in with the Housing and Planning Act 2016, particularly on Starter Homes, are expected to be set by the government at a cost of no more than 80% of local market values and no greater than £450,000 in London. Other elements of the Act include the introduction of higher rents for council tenants on gross incomes of more than £40,000; introduction of fixed term council tenancies; sale of higher value council homes which are intended to fund the extension of the right to buy for housing association tenants. On the right to buy, the council is concerned that the government's intention that each home sold is replaced by at least one new home will not be realised in the borough given the high cost of development. In addition, many

housing association homes were built with 'in perpetuity' legal agreement clauses meaning there will be difficulties in allowing these homes to be sold. The council will aim to continue to maintain the amount of affordable housing in the borough in all scenarios and will closely monitor the impact of housing association as well as Council sales through the Right to Buy programmes.

### **Widening housing choice**

A common perception of housing choice in Inner London areas is one where you have to be very wealthy or very poor to be able to access accommodation. Even what many of our residents would consider a high income is not necessarily sufficient to enter the low end of the home ownership market. An outcome sought from this strategy is recreating some of the housing choices which enabled the borough to attract a wide range of people that contributed to public services, e.g., essential workers, but also people who contributed to the borough's diversity and cultural life. We need to look at what we can do to re-create those choices in a lasting way and understand what outcomes they can generate.

### **Transport infrastructure as a driver for housing development**

The borough has hosted significant housing delivery in the past decades for a mix of reasons: the redevelopment of docklands, its proximity to the City of London and more recently the Olympic Park (now the Queen Elizabeth Park); major local authority led estate regeneration schemes, e.g., Ocean Estate and Blackwall Reach; and now with the more recent Overground and Dockland Light Railway upgrades, the transport infrastructure is soon to benefit from Crossrail, now the Elizabeth line, which will have 2 stations in the borough at Whitechapel and Canary Wharf with the line opening in stages from late 2018 onwards, providing the transport infrastructure for higher density housing development.

As set out in *Our Borough, Our Plan – A new Local Plan First Steps (Dec 2015)* land available to build new homes is becoming increasingly limited and public money for infrastructure investment limited, a balance needs to be struck between housing development and educational, health and other essential infrastructure needed to create great places to live, one of our community plan themes. However, significant housing development is likely to be a continuing theme in Tower Hamlets with many of the new homes expected already in construction.

### **Mayor of London's Opportunity Areas**

The significant housing delivery the borough has hosted is likely to continue for the next decade, mainly but not exclusively in the areas below identified by the Mayor of London for housing and employment growth:

- Area 1 - City Fringe / Tech City (including Whitechapel) where a minimum of 15,000 homes can be delivered.
- Area 2 - Isle of Dogs and South Poplar where a minimum of 10,000 homes can be delivered.
- Area 3 – Lower Lea Valley which the Tower Hamlets element includes the Poplar Riverside Housing Zone where a minimum of 9,000 homes can be delivered.

Each of these Opportunity Areas will generate a significant number of new jobs. Through identifying specific areas for major growth, the Council can take a more co-ordinated approach to developing an area in a holistic manner, ensuring that other essential

infrastructure including schools, leisure, health facilities, workspace and appropriate transport links can be developed in order to meet the needs of the growth in population.

The council is already working with the Mayor of London to maximise affordable housing delivery in the Poplar Riverside area through a Housing Zone. The Mayor of Tower Hamlets is also working in partnership with the GLA and Transport for London (TfL) on the GLA-led Isle of Dogs and South Poplar Opportunity Area Planning Framework to realise growth potential that meets both local and strategic needs.

In addition, the council will need to look at other ways of ensuring affordable housing delivery can be accelerated, possibly through the adoption of an alternative delivery mechanisms and initiatives we reference in section 4 of this document.

Whilst the majority of future housing will be built in the three areas identified above, there will continue to be new development in other areas of the borough, particularly where the council has the opportunity to build on its own land.

**Action 1:** Maximise affordable housing building from all sources of housing supply, with a focus on the borough's three opportunity areas

#### **4.2 Outcomes from the Mayor of Tower Hamlets Housing Policy and Affordability Commission**

Mayor John Biggs established a Mayoral Housing Affordability Commission to investigate the delivery of actual affordable housing. The Mayor appointed an external expert panel who met three times between December 2015 and February 2016.

The Mayor in Cabinet considered the recommendations of the Affordability Commission at a meeting on the 10<sup>th</sup> May 2016 and agreed to prioritise the following areas of work:

- deliver 100% rented housing on council owned sites combining social target rents and homes at a 'living rent' (set at a proportion of median incomes at or below Local Housing Allowance levels) that is affordable without recourse to benefits for households with median incomes. These would cross-subsidise the social target rented homes.
- investigate letting the higher rent homes through a separate waiting list and potentially developed by a council sponsored housing company.
- explore the option to reduce Borough Framework rents on S106 sites (where private developers are required to deliver affordable housing) to more affordable levels including social target rents taking into account impact on viability and possible reduction in overall affordable housing units.
- plan for emerging Government policy, in particular the proposed requirement to deliver 20% Starter Homes on schemes over 10 units as part of the affordable housing offer.
- review its policy regarding commuted sums (i.e., money from private developers instead of affordable housing) for affordable housing elsewhere with reference to the broader objectives of increasing affordable housing development and supporting estate regeneration

#### **Intermediate Housing**

Intermediate housing is for people who need affordable housing, but would receive low priority on the common housing register. It provides a much needed source of accommodation for people who want to live and work in the borough particularly essential workers, such as nurses, teachers, teaching assistants and social workers. For many years it has provided a supply of accommodation for people who cannot afford homes on the open market.

A traditional form of affordable home ownership in the borough has been through the provision of shared ownership homes built by housing associations. Typically an applicant can buy (usually with a mortgage) a minimum of 25% of the open market value of a home and rent (and pay service charges) for the remainder. Because of high house prices in the borough, even this model is becoming increasingly unaffordable for people on average incomes. Other forms of intermediate housing include sub market rented housing which is below private market rents but above social rents and community land trust models of affordable housing such as the scheme being developed on the St Clements Hospital Site.

The council will need to review how it approaches the delivery of intermediate housing with the advent of Starter Homes and the increasingly unaffordable cost of shared ownership housing. The council with its partners including the GLA will continue to look at alternative models of intermediate housing that enable people on low to medium incomes to live in the borough. Increasing the amount of genuinely affordable homes for ownership for local people is an important part of the council's future housing approach.

With the advent of the Mayor of London's London Living Rent product, the council will need to work with the Greater London Authority to ensure there is clarity for home seeking applicants on qualifying and eligibility rules with clear explanations of the various intermediate housing products that are available and that are emerging. This will also require a clear read-across between the Mayor of London's official First Steps intermediate housing programme which sets what affordable home ownership products are available in the capital and what rules are for accessing them.

## **Actions 2:**

- Use council-owned sites to deliver 100% rented housing combining social target rents and homes at a Tower Hamlets 'living rent'.
- Use council-owned sites to develop higher rent homes let to applicants from a separate waiting list and potentially developed by a council owned Housing Company or a Housing Company in which the Council retains an interest.
- Reduce government defined Affordable Rents to lower levels including social target rents taking into account the possible reduction in overall affordable homes for rent.
- Create a new Tower Hamlets Living Rent product which is based on a third of gross median household local incomes
- Plan for emerging Government policy, in particular the proposed requirement to deliver 20% Starter Homes on schemes over 10 units as part of the affordable housing offer.
- Review its policy regarding commuted sums for affordable housing, with the aim of:
  - Creating mixed and sustainable communities
  - Considering the overall output of affordable housing

- Making best use of Council owned land/assets
- Develop clear affordable housing policy for market sale, for discounted market sale including Starter Homes and shared equity schemes with reference to evidence available regarding take up of subsidised home ownership schemes.
- Explore long term financial investment from institutions for an intermediate rent product for households with average/median incomes.

#### 4.3 Funding new council homes, estate regeneration and other affordable housing

The council continues to be a major landowner in the borough through its ownership of homes and council land managed by Tower Hamlets Homes. In recent years it has been undertaking a council house building programme part funded by right to buy receipts. However, the government's policy of reducing social rents by 1% a year for four years, means that previous assumptions on future revenue for asset management of council housing and building new homes has had to be revised.

That said the council is committed to supporting the delivery of:

- more council housing at social rent and Tower Hamlets Living Rent
- more housing association affordable homes to rent and buy
- the regeneration of our estates where appropriate
- Investigating building and/or acquiring new homes, possibly outside the borough Intermediate housing, i.e., homes for working households, including shared accommodation in certain circumstances

The council is committed to the delivery during 2014-18 of 5,500 affordable homes in total by all affordable housing providers, of which 1,000 will be by the council for rent. The majority of these 1,000 homes will be built on council-owned vacant land.

#### Council Housing New Build sites

As of October 2016, the council had a significant housing development portfolio of its own and the table below sets out the new build programme currently in progress:

Scheme	Units	Comment
Poplar Baths/Dame Colet House	100	Completed
Bradwell Street	12	Completed
Watts Grove	148	Onsite
Jubilee Street	24	At Planning Stage
Baroness Road	20	
Locksley Estate (Site A & D)	54	
Hereford Street	38	
Tent Street	72	
Arnold Road	62	

**Action 3:** Complete a full capacity study of Council owned land site (within the Housing Revenue Account and the General Fund) to identify further opportunities and funding options.

#### **4.4 Increasing and widening housing supply and choice**

The housing challenges the council and its residents currently face mean that we need to look at options that even a few years ago might have been considered unattractive. Some initiatives may look as if we're competing with our partners, but in the main the rationale for our approach is simple: if we're going to use our own resources to fund new initiatives, we need to retain control of the resources used. This doesn't mean we won't use services that some partners provide, e.g., housing associations, as they are more experienced both at mixing private and public money to deliver social outcomes and operating in the market place. Initiatives we are considering include the following:

##### **- New housing companies**

Like many other Local Authorities, the council is considering setting up new companies to deliver housing on its behalf. This could include homes both inside and outside the borough and for both rent (both permanent and temporary housing) and sale. The advantage of this is that it would operate under different financial rules and possibly enable more homes to be built. The Council will bring forward plans for the companies later this year.

##### **- Co living Model of Housing**

This involves using accommodation in a more intensive way, where residents have sole use of a room but share facilities such as kitchens, bathrooms and leisure space. This is in essence a variation on the principle of shared living which is for many the first type of accommodation that is used after leaving home. Because of the housing crisis, increasingly more and more households are living this way and are not able to move on to home ownership. This housing model can suit a certain lifestyle; in temporary work in the borough, for a certain period of time, but is not intended to be a permanent form of accommodation. Such schemes are likely to work in high density locations and would need to be car free and may be targeted at certain groups such as single working people. The proposed council sponsored housing company may have a role to play in delivering this kind of accommodation

##### **Council owned temporary accommodation**

The council has been successful at both preventing homelessness and meeting homeless households' needs. It will always seek to avoid using bed and breakfast accommodation, but sometimes this is unavoidable, particularly when a homeless applicant presents themselves to the council and needs a roof over their heads urgently. Rather than spending money on high cost bed and breakfast accommodation, the council is considering buying or developing its own accommodation to meet emergency housing needs. Furthermore the Council is also considering options to develop or convert existing accommodation for use as temporary accommodation to reduce its reliance on the private rented sector. This is due to the increasing difficulty of procuring affordable temporary private sector housing and the cost to the Council of subsidising the high rents, in light of the Government's decision to freeze temporary accommodation subsidy since 2011. We're seeking to counter-balance the temporary loss of this permanent social housing by continuing the programme of buying back ex-council homes sold under the right to buy.

## **- Modular Housing**

The council will also consider developing the use of portable modular housing which can be used for shorter term lettings, primarily for homeless families awaiting permanent accommodation. This type of housing can be set up quickly on empty sites which may be awaiting development and be reused as sites change use, or alternatively to provide such accommodation on a long-term basis to help meet the current and future needs of homeless households and where appropriate permanent housing in the Borough. The Council has been working in conjunction with the East London Housing Partnership on researching the different types of modular housing now available on the market and will develop its approach to this type of housing during the period this housing strategy covers.

### **Actions 4:**

Set up housing companies to deliver new homes both inside and outside the borough.

Explore the merits of the developing a co living model of housing for working people.

Explore the merits of the council buying or developing its own accommodation to meet emergency and temporary housing needs for homeless households.

Explore the use of modular housing to assist in meeting homeless and mainstream housing need across the Borough.

## **4.5 Energy efficient, high quality, well designed affordable homes**

As much as the council wants to see more affordable homes, it wants them also to be sustainable also. This means they should be energy efficient, reducing the carbon footprint of homes that used to be built. But also ensuring they are homes that people want to stay in, by ensuring there is accompany social and community infrastructure including sufficient play and informal recreation space.

New residential developments should be designed to achieve high energy efficiency targets and be near-zero energy buildings. Such buildings are designed to reduce regulated energy use for space heating, hot water, cooling, ventilation and fixed lighting but does not relate to non-regulated energy use, e.g., plug in appliances and cookers. Such developments are required to follow the energy hierarchy of Be Lean, Be Clean and Be Green to reduce energy demand. Through reducing energy demand the new properties will have low running costs for future residents to have a low carbon footprint and also reduce fuel poverty. The proposals for near-zero energy buildings will see a minimum 45% reduction in carbon dioxide emissions on-site, with the remaining regulated carbon dioxide emissions to 100% to be off-set through the Councils adopted carbon offsetting programme.

For existing residential accommodation, poor energy efficiency of a home is a contributor to fuel poverty and effects the most vulnerable households which in turn can exacerbate health issues of the households. Through carbon offsetting the Council will deliver residential energy improvement projects, thereby reducing energy use for existing residents to alleviate fuel poverty and reduce Borough wide carbon emissions. The council is also aware that the Mayor of London has made improving air quality in the capital a priority and we need to be mindful of where homes are built; which need groups will be living in them; and how we can mitigate the negative air quality impacts to homes that are located near busy roads.



10% of homes should be designed to meet Part M Category 3 wheelchair adaptable housing, and, for units where future tenants have been identified and their needs assessed by the Local Authority, these units should be built to the full wheelchair accessible standard (Part M Category 3 (2b)). Other homes should be built to meet Part M Category 2, unless the introduction of a lift would adversely affect service charges to such an extent as to prevent the homes being affordable.

The council will seek to build homes that deliver:

- Meet the standards set out in the Mayor of London's *Housing Design Guide* and his *Affordable Housing Supplementary Planning Guidance (March 2016)*
- energy efficient standards which helps both reduce fuel poverty and carbon emissions
- acceptable space standards meeting *DCLG Technical housing standards – nationally described space standard (March 2015)* and ideally exceeding them
- bedroom mixes that meet people's needs
- areas where there is sufficient play and informal recreation space
- wheelchair accessible standards as set out above and Lifetime Homes Standards (?)
- wider community infrastructure, for example, GP Surgeries, schools, greenspace, local shops, which help create sustainable communities envisaged in our Community Plan, which can be supported by planning obligation resources, including from the Community Infrastructure Levy (CIL)

#### **Actions 5:**

Ensure new developments are built to near zero energy high efficiency targets and through carbon offsetting initiatives the Council will deliver residential energy improvement projects.

Building on the Mayor of London's Housing Design Guide, the council will seek the highest quality housing standards and associated play and informal recreation space in new affordable housing built in the borough. The Council is also working with partners to develop its own design standards for housing produced through Section 106 Planning agreements

#### **4.6 Self-build and custom housing**

The Self Build and Custom Housing Act 2015 requires the council to hold a register of individuals and associations of individuals who are seeking serviced plots of land (i.e., serviced with water, electricity, etc) to either self-build their own homes or use custom housing (e.g., housing, wholly or partly assembled in factories). The council will be maintaining such a list as required by law and will monitor interest in this form of housing.

**Action 6:** Analyse the register of self-builders in line with statutory requirement in order to inform the Local Plan and respond to self and custom build demand.

#### **4.7 Regeneration and fostering a community spirit**

Ultimately it is people, not the council, who make communities work. Fostering a community spirit, a key theme of the East End's history is important part of that. The council plays an important role in facilitating the kind of communities that evolve through the kinds of homes that are developed and who is able to access them. This community spirit and community

cohesion that holds it together has become an increasingly important objective as the profile of the borough – in terms of race, age and incomes – has changed radically in a generation. During the consultation process, residents told us that they were concerned about the continuing redevelopment of parts of the borough, including social housing estates, which were considered to be threatening the existence of communities rather than helping to build them.

With the major growth of residential, business and cultural activity across the borough in the past and expected in the future, this community spirit and the values that underpin them have been under pressure. Some communities have been displaced by regeneration projects and others have witnessed large scale development very close to their homes, but have not seen this change as good thing.

As outlined in the Local Plan section, major growth in jobs and housing are expected during the next decade or so. The perennial challenge for all local authorities is how this growth is harnessed to maximise social, economic and environmental gains for existing and particularly disadvantaged communities from the enormous private sector economic activity undertaken in Canary Wharf; the City of London adjacent to the borough (including Aldgate); Whitechapel; and other growth areas in the borough.

Consequently, we need a specific strategy to address the needs and aspirations of young people in the borough who are joining the world of work for the first time to ensure they receive the benefits of new and continuing private investment in the borough. We also need to be mindful of the needs and aspirations of people who have retired or who are unable to work so that they are not left behind in what is a fast-moving, constantly evolving environment. This needs to be part of the council's wider approach to how we engage and include communities in the future.

As referenced earlier, the three opportunity areas in the borough in the Lower Lea Valley including Poplar Riverside, South Poplar, and City Fringe / Tech City (including Whitechapel) is where the main growth will be in the future.

Later this year, the Mayor will be considering a new growth strategy to help ensure local job opportunities are maximised for local people. There will continue to be a wide range of employment opportunities in the borough and we need to make sure that our residents have access to them, whether they are graduate opportunities, apprenticeships or opportunities for people looking to re-join the employment market. A particular focus will be on maximising apprenticeships for local people from building contractors the council is working with.

In November 2016 the benefit cap for households without an adult in work will reduce to £23,000 a year cap. For households who are paying high rents, the housing benefit or housing element of Universal Credit, will mean such households will need to ensure wherever possible that one member enters the employment market if they wish to avoid rent arrears and other associated debts. The council and its registered provider partners have a role to play to access such opportunities to households in order to facilitate both economic inclusion and avoid household poverty and homelessness itself.

#### **Action 7:**

Ensure the council's future housing interventions help foster a community spirit

Develop a new growth strategy to help ensure local job opportunities are maximised for local people

## **Section 5 - Delivery Theme 2 – Meeting people’s housing needs**

### **Why this is important**

Maintaining a high supply of new affordable housing is a core theme of this strategy, and it's as important that these homes are allocated on a fair, inclusive and transparent way. Due to the continuing high demand for affordable and other forms of suitable accommodation, the council has to think innovatively about how to meet this demand. This means considering housing options outside the borough and also using private rented accommodation to meet its homelessness duties.

Particular attention is given to people with both physical and mental health needs and what kind of accommodation is suitable for such applicants to live independently, or with some onsite or floating support (meaning support provided through regular visits), based on what their assessed housing and health needs are. There are also other specific areas of housing needs which the council needs to adopt approaches to which are covered in this section.

The previous section focused on how the council is going to increase the amount of affordable housing and to ensure residents benefit from economic growth and regeneration in the borough. This section focuses on who receives support in meeting their housing needs and on what basis.

### **5.1 Common housing register allocation scheme**

The council is required by law to have a Housing Allocation Scheme which sets out how local people can join the housing register. The council operates its scheme in partnership with housing associations that have homes in the borough and are signed up as borough partners.

For that reason, the council's scheme is called *The Common Housing Register Partnership Allocations Scheme (23 April 2013)*. As part of the housing strategy consultation process, we are going to review and consider amending some aspects of the scheme in conjunction with our Partnership members.

The Mayor in Cabinet in November 2016 agreed a number of changes to the Common Housing Register Allocation Scheme. These are principally to:

- Note the changes to the Allocations Scheme regarding the new Right to Move for employment reasons. This new government regulation came into effect on 20<sup>th</sup> April 2015 requires local authorities to set aside 1% of lets to rehouse social tenants from elsewhere in England who want to move for employment reasons where the employment is more than one year and over 16 hours per week.
- Agree to a new sub band in Band 2 of the Allocations Scheme to avoid the risk of legal challenge to present policy on applicants in housing need who do not meet the 3 year residence requirement – this is because of a recent court case involving Ealing Council where their policy included a similar residential requirement that was successfully challenged by a homeless applicant fleeing domestic violence who did not meet the criteria.
- Agree to restrict existing policy that allows applicants to bid for 1 bed smaller than their assessed need where room sharing would only be accepted for children of opposite sexes under 10 years old - the current scheme allows applicants to bid for homes 1 bed

smaller than their assessed housing need, principally to mitigate the impact of the Bedroom Tax and Welfare Reform changes. Common Housing Register partners are concerned that some cases rehoused causes inappropriate overcrowding. It is proposed to retain the policy, but only allow children of opposite sex sharing a room if both are under 10 years old.

- Authorise the use of some social housing general needs stock as non-secure tenancies for temporary accommodation up to a maximum of 100 units per annum. This will help build up the council's supply of temporary accommodation to meet homeless needs.
- Agree the Lettings Plan for 16/17 and extend it to 17/18. This sets out the quotas for certain need groups, such as the foster carers, care leavers, and key workers, for social housing.
- Agree to add social worker to the professions that qualify for key workers status set out in the Allocations scheme – this is proposed as the council is experiencing difficulties in recruiting and retaining experienced social workers.

The report also proposes to use private rented accommodation to discharge its homelessness duties in limited circumstances.

The Mayor also deferred agreement on whether to amend the quota for Band 3 lets from 10% of one, two and three bed properties to 5% of 1 bed & studios per annum to allow further consideration.

**Action 8:** Refresh the Common Housing Register Allocation Scheme to widen housing options for the council to give priority to those in housing need and use private rented housing and other suitable accommodation to meet housing needs.

## 5.2 Intermediate housing register

Many working people who want to live in the borough can neither qualify to join the housing register to access affordable rented housing nor afford to buy a home on the open market. This means they either live in private rented accommodation, often sharing with others, or leave the borough altogether. One of the themes of this housing strategy is to create housing choices for all sections of the borough's diverse community. To achieve this we need to look at how choice in the intermediate housing market can be both increased and widened. At the moment, housing choices are confined to shared ownership (part rent, part ownership) schemes and sub market intermediate rent schemes, meaning rents are above social rents but below private rents, normally at least 20% below.

We know from the responses to our consultation, and the evidence supporting our Local Plan, there is strong demand for this kind of housing. Many working people on low to medium incomes who do not rely on state benefits have their housing choices limited to the private rented sector. Despite interest rates continuing to be at a historic low, people who are unable to save for a deposit (often because they are spending much of their disposable income on high rents) and are not able to access home ownership.

A robust indicator of demand would be provided by an Intermediate Housing Register. This register would have similar but looser rules on eligibility and priority to that which governs the Common Housing Register for those needing affordable rented housing. For example, we could give priority to people living in the borough; consider creating quotas for essential workers; restrict access to intermediate housing choices to people over a certain income and

savings, but also ensure the expectations of applicants who may not be able to sustain the costs associated with home ownership are managed carefully. The approach to quotas could be simple. For example, for every five homes available, one (or more) could be set aside for essential workers. The challenge is to identify who is an essential worker, appreciating also such workers once allocated a home, may then choose to take up a different occupation.

This will also require a clear read-across between the local scheme that the council intends to establish and the Mayor of London's official *First Steps* intermediate housing programme which sets what affordable home ownership products are available in the capital and what the rules are for accessing them. There may be scope for working jointly with the Mayor of London's approach to allocating homes developed under the London Living Rent programme, a proportion of which will be allocated on a pan-London basis.

The Mayor of London's recent announcement (Sept 2016) on his approach to London Living Rent gives a clearer indication of the priority he is giving to both this product and working applicants in housing need on incomes of between £35,000 and £45,000. The council will need to give some thought to what priority it wishes to give this product and how such homes developed in the borough will be allocated.

Just as we need to continue delivering more affordable rented housing, we need to ensure that those who need affordable housing for home ownership (or intermediate rent) have choices too. The Mayor of London's London Living Rent product can help with widening choice for such applicants in the future. The intermediate register could act as the gateway for those applying for homes built at living rent as proposed in section 4.2 of this document. In practice is likely that homes will be available to apply for on the following basis:

- London Living Rent Homes – A web portal on the GLA website where applicants will be able to view and apply for homes which either available to all applicants and Tower Hamlets applicants, with quotas for each groups
- Tower Hamlets Living Rent Homes – A web portal on the Tower Hamlets council website which will only be for Tower Hamlets applicants

There is also scope for the council to provide some general advice on home ownership choices, but any advice on mortgages (relevant to shared ownership) will need to be provided by an Independent Financial Advisor.

**Action 9:** Develop and implement an intermediate housing register and consider whether quotas should be adopted for certain categories of essential workers.

### 5.3 Homelessness Strategy

The council currently has in place a *Homelessness Statement 2013 to 2017* which sets out our approach to preventing and reducing homelessness focused on:

- Homeless prevention and tackling the causes of homelessness
- Access to affordable housing options
- Children, families and young people
- Vulnerable adults

Many aspects of this document are still relevant particularly those related to partnership working and prevention but over the next 12 months we will consider what other options are available to prevent and meet homelessness demand. These will include:

#### - Use of Temporary accommodation for homeless families

The Homelessness Strategy will also need to consider the options to reduce the number of homeless households from Tower Hamlets who are currently in temporary accommodation. At present there are around 2,000 households in temporary accommodation, of whom over 1,000 are placed outside the borough. Over 200 households are in bed and breakfast accommodation. The council recognises that there are different forms of homelessness. These can include:

- Rough sleepers who can include ex-service personnel
- Women fleeing domestic violence
- Former tenants of private rented accommodation where their tenancies have not been renewed
- People who are sofa surfing at friends' and families' homes
- People with mental health issues

In meeting emergency housing need, bed and breakfast accommodation creates uncertainty and upheaval for residents and is becoming increasingly expensive for the Council to procure, with suitable accommodation proving too expensive in borough resulting in more households being placed in outer London and beyond. The council recognises that such an approach can cause disruption to people's lives, particularly those with a local connection with the borough, but the acute shortage of affordable housing and now the high cost of private rented housing, beyond Local Housing Allowance levels, means the council has to consider all options to ensure homeless people have a roof over their heads. With the advent of the Universal Credit cap of £23,000 for non-working households, this will mean that some non-working applicants will only be able to afford to rent homes in lower value areas outside the borough. With likely reductions in Discretionary Housing Payments (DHP) to provide additional funding to make up the gap between housing benefit and private rents, this is going to become a bigger issue in the future. Taking account of the housing needs of ex-offenders and people suffering from mental health issues are a continuing challenge for the council to address.

The Council needs to agree how best to tackle this problem with potential solutions including:

- remaining committed to the *No second night out* objective (and ideally ensuring there is *no first night out* through mediation with landlords and tenants) and minimising the use of bed and breakfast accommodation
- The Council may provide emergency accommodation to no priority need homeless clients for the purposes of preventing or reducing rough sleeping
- developing its own temporary accommodation as set out at 4.4 above
- using existing permanent council and registered provider properties for short term homeless housing as set out at 5.1 above
- continuing to use homes temporarily on estates that are being decanted for regeneration
- continue publishing under what circumstances it will place households outside of the borough
- buying back ex Local Authority homes sold under the Right to Buy.

We will update the homelessness document to reflect progress over the past 3 years and will engage fully with all partners in early 2017 to develop a further 4 year action plan to continue

to tackle homeless. There will be an emphasis on ensuring the most vulnerable and marginalised groups who face homelessness can continue to be assisted linking their support into their health needs, education and employment chances and overall wellbeing.

Progress since 2013 includes:

- **No wrong door Project**

The Council's Housing Options service introduced its innovative programme – called No Wrong Door to ensure that customers can access all the services they need to help resolve their housing problems from one point of contact rather than having to navigate their way through lots of different agencies themselves.

The Council's Housing Options service has been transformed to offer more help to those threatened with homelessness or needing housing advice. Instead of being able to simply offer advice on housing options, staff are working closely with other agencies so as to be able to offer information on a comprehensive range of services that help with problems that often cause homelessness or housing difficulties. This includes money advice, debt counselling, landlord and tenant mediation, specialist legal advice, help in accessing education and training, help in seeking work, access to child care and our Children's Centres.

Our Housing Options staff can make referrals to other agencies to ensure clients get the help they need, and some support services are now operating from Albert Jacob House in Bethnal Green E2 the where Housing Options staff are based.

- **Overview and Scrutiny Commission recommendations**

The Overview and Scrutiny Commission held a review of the Homelessness Services and produced 17 recommendations for consideration by the Housing Options Team. These recommendations are being addressed by the service and will either be implemented at an operational level or through the refreshed Homelessness Strategy.

- **Hostel Commissioning Plan**

The Council is developing a Hostel Commissioning Plan (HCP) 2016-2019 which was approved by the Mayor in July 2016.

It was agreed that future hostel commissioning priorities should focus on meeting the needs of those who are the most complex, whilst also aiming to provide advice and assistance to those with lower needs. In addition there will be a plan to reduce the level of women only and abstinent hostels services. In order to ensure the needs of the service users are better met, whilst ensuring provision of choice and control is maintained it was further agreed to remodel and reconfigure current services and provision in conjunction with partners.

- **Homelessness Partnership Board**

The Council will reform its Homelessness Partnership Board drawing on the expertise of Housing Association, voluntary sector and other statutory partners such as the health services to oversee the production, delivery and monitoring of the action plan.

- **Homelessness Reduction Bill 2016**

At the time of finalising this Strategy, a Private Members' Homelessness Reduction Bill was before Parliament. Core to the Bill's purpose is a duty to prevent homelessness, building on the current duty to meet its consequences. The council is already committed to preventing where possible homelessness in all scenarios. We recognise that it is important to prevent where possible the instances of non-priority homelessness as these have the potential to become priority cases of the future. Whilst the council is broadly supportive of the Bill's aims, with sources of permanent and temporary accommodation diminishing, placing additional homelessness duties on local authorities will be challenging.

**Action 10:** Refresh our Homelessness Statement into a strategy and align it with the 2016-21 Housing Strategy.

**Action 11:** Reconvene the Homelessness Partnership Board who will oversee the production, delivery and monitoring of the action plan

#### **5.4 Tenancy Strategy, including fixed term tenancies**

The council is required by law to have a Tenancy Strategy that sets out what kind of social housing tenancies should be granted by housing associations and the council (through Tower Hamlets Homes) in the borough and what basis those tenancies should be renewed. Housing associations are required to have due regard to the council's Tenancy Strategy but are not required to follow the policies that are set out.

The government through its Housing and Planning Act intends that future tenancies granted by the council should be for fixed terms of between two years and 10 years. The government is also proposing that where families have children under the age of nine, a tenancy should be granted that will last until the youngest child reaches the age of 19. There will be some exceptions to fixed term tenancies, possibly for the elderly and the disabled, which will be set out in regulations to be set by central government in the future. Depending on the level of flexibility allowed by government it is intended that the new Tenancy rules will be further consulted upon.

The government is also proposing that other than where a spouse or civil partner is succeeding a tenancy, the new tenancy should be for a fixed term. The new Tenancy Strategy, once adopted will impact on future tenancies granted by Tower Hamlets Homes, and influence the tenancy policies of our local housing association partners.

In summary, our broad approach will be as follows:

- Applicants over the age of 65 should be granted lifetime tenancies
- Applicants who are severely disabled should be granted lifetime tenancies, with exceptions made where the property is wheelchair accessible accommodation
- Applicants who have children under the age of nine years old should have tenancies for 10 years
- General needs applicants (including those who succeed a tenancy) should be granted tenancies of no less than ten years
- There should be a presumption of a fixed term tenancy being renewed if the tenant(s) housing needs are the same (or greater) than at the time of the original application
- Introductory tenancies for council tenants and starter tenancies for should be for 12 months, increased to 18 months where the tenant has not met one or more of the tenancy conditions, e.g., non-payment of rent; anti-social behaviour. This will be in addition to the fixed terms identified above.



It should be noted that the granting of a fixed term tenancy does not mean a tenant cannot qualify to exercise their right to buy providing they meet the qualifying conditions.

For housing association landlords, we would want them to continue the policy lettings homes on Assured Tenancies (i.e., lifetime tenancies) at social rents, but recognise in some instances this may not be possible to do that because of contractual arrangements associated with the development of new Affordable Rent accommodation. However, the council does not wish to see existing social rent homes which become empty, converted to Affordable Rent homes or with fixed term tenancies. The council welcomes the Mayor of London's recent announcement (Sept 2016) that no further rent conversions (meaning from social rent to Affordable Rent) will be supported as part of his new affordable homes programme.

**Action 12:** Refresh the Tenancy Strategy to take account of legislative changes requiring local authorities to issue fixed term tenancies

## 5.5 Tackling overcrowding

The council currently has in place a 2016-2018 Overcrowding Action Plan which was updated in March 2016 and includes the following:

- Property based actions by delivering larger family accommodation through s106 schemes and new affordable housing schemes.
- Lettings actions set through the operation of the Common Housing Register Allocation Scheme (April 2013).
- Advice and partnership actions by ensuring all housing associations with stock in the borough sign up to the Common Housing Register Forum.
- Under occupation actions by developing bespoke packages to meet specific households' needs; encouraging housing associations to reduce under-occupation; and financial incentives to encourage under-occupiers to consider moving.

The Council's Overview and Scrutiny Housing sub committee has agreed to carry out a review of under occupancy and the findings of the committee will be incorporated into an updated plan.

**Action 13:** Keep under review the Overcrowding and Under-occupation Plan

## 5.6 Older People's Housing Needs

People are living longer and often do not have housing choices that enable them to move to more appropriate accommodation that meets their needs. In an affordable housing context, this can involve small-sized households, sometimes single people, under-occupying family homes which could be used for larger households. Whilst the council has access to sheltered housing for older people available through its Housing Association partners, older people's needs sometimes require consideration of health and/or mobility issues. The need to continue to meet the two aims of the council's 2013 – 2015 Older Persons' Statement remain valid, which are:

- Aim 1: Provide a range of good quality accommodation and access to home adaptations and improvements that offers older people housing that meets their needs.

- Aim 2: Help older people to continue to remain active, independent and healthy in their homes supported by flexible and affordable services.

The council's view is that a third aim should be added to this which is:

- Aim 3: Develop a specific approach that meets the needs and wishes of older people that will help incentivise households who are under-occupying by giving them a wider range of choice. This aim recognises that is a large and growing cohort of older people who do not require institutionalised care as well as those who do, often through extra care schemes

The Council has agreed that rather than refresh its Older Persons' Statement it will contribute fully towards the development of the Council's forthcoming Ageing Well Strategy that aims to cover all aspects of the health, wellbeing and quality of life of people growing older in Tower Hamlets – ensuring that Tower Hamlets is a borough where growing older is about retaining independence and dignity with the assistance of family friends and the community where necessary but knowing that the right care and support is there if that independence becomes significantly reduced. A continuing challenge are the costs associated with older patients who are unable to leave hospital because they don't have a suitable home and/or care to return to, also known as 'bed blocking'. The financial cost of this is being borne by the health sector, but some joint working and possibly sharing of costs and savings may offer some incentives and opportunities to address this issue. There are a range of housing options (for example, sheltered accommodation, extra care housing) and interventions (for example, providing disabled adaptations to residents' homes) but these resources are limited. Given that we can expect housing and health challenges associated with an ageing population to grow, innovative working between the relevant agencies and most crucially the residents concerned will be needed.

Key housing issues which will have to be reviewed include defining future provision of older persons housing requirements as required by the current National Planning Policy Framework (NPPF) and reviewing all aspects of support for the ageing population including support through sheltered residential and extra care housing. The GLA also has funding available for older people's housing under the current 2015-18 programme and we expect to be continued in the forthcoming 2016-21 programme. Given the continuing growth of this cohort of need together with the council's objective of reducing under-occupation in the borough's social housing stock, we will need to take a fresh view on whether his source of funding can add value to the council's approach.

The scope of the proposed strategy encompasses the breadth of responsibilities placed upon the local authority by the Care Act 2014. In summary these responsibilities are centred on:

- maintaining and promoting independence and wellbeing
- facilitating the development of a vibrant social care market in the borough
- assessing and providing for needs which the authority has a duty or power (subject to available resources) to meet. This encompasses both the provision of a range of services in the community (to enable the individual to continue living in their own home) and the provision of residential and nursing home care when living in your own home is no longer a viable option
- safeguarding vulnerable individuals.
- working in partnership with the NHS and other stakeholders to deliver integrated and personalised care and support.

The strategy will also provide a core reference point for the future development of service delivery and/or commissioning strategies for a range of adult social care and supported housing services including:

- Information and advice provision.
- Community support, handypersons and befriending type services;
- Advocacy.
- Personal care.
- Daytime activities provision.
- Support and care in sheltered and extra care sheltered housing.
- Residential and nursing home care.

A reference group incorporating all stakeholders including residents and carers and housing partners will be set up to oversee the development and implementation of the Strategy.

**Action 14:** Contribute towards the development of the Corporate Ageing Well Strategy which includes reference to developing accommodation designed to meet the needs and wishes of older people.

## **5.7 Supported Housing and use of temporary accommodation**

Supported Housing plays an important role in providing accommodation for people who may have dependency issues, such as alcohol, drugs, or who have particular mental health issues. Other needs that need to be met include those of rough sleepers; people with learning difficulties; and people with specific health needs. Consideration also needs to be given to children leaving care and those fleeing domestic violence. The services required, such as floating support, to enable people to live independently is funded through the Vulnerable Adults Commissioning team.

Some of these groups immediate and longer term needs will be picked up through policies developed out of the Homelessness Strategy, which will include reference to the need for 'move on' accommodation so that supported housing is available to those who most need it. We will consider the needs of all these groups when developing new housing and reviewing allocations policies and take into account the view of our partner organisations who provide services to the most vulnerable people in our community.

The Government announced in September 2016 that it intended to devolve Supporting People funding to local authorities to provide additional top up funding to providers where necessary, reflecting the higher average costs of providing supported accommodation. It also indicated that it intends to exempt women's refuges, alms houses and community land trust from the Local Housing Allowance (LHA) Cap, but supported housing schemes will not be exempted. What this means is that the services that some clients need with their accommodation will not be fully eligible for housing benefit with the gap met from the devolved funding. Whilst the devolved funding is expected to be ring-fenced, it's unclear how long this funding will last for given the continuing reduction in public money allocated to local authorities to deliver local services. The 1% rent reduction to social housing will still apply to Supported Housing schemes.

Overall, we expect the changes to have a negative impact on the delivery of new supported housing schemes and possibly impact on existing services. The council will seek to mitigate the impacts of these policy changes where possible.

**Action 15:** Ensure that supported housing needs are reflected in both the common housing register allocations scheme and the delivery of new affordable housing.

## **5.8 Housing for people with disabilities and long term health conditions, including autism**

The vulnerable adults commissioning team are developing an Accommodation Plan which will provide an overview of the accommodation available to people with learning disabilities (LD). The borough seeks to improve the overall offer of accommodation including opportunities to invest to save whilst also supporting young people to remain close to their families, friendship networks and local community. We expect the number of people with disabilities and long term conditions, for example, dementia, autism, to grow and people are likely to live for longer with these health conditions. The Children and Disabilities Joint Strategic Needs Assessment (JSNA) for the borough states that the number of children with special educational needs (SEN) and disabilities is higher than both London and England averages. It is therefore likely that the demand for accessible housing will increase and the design of new local housing needs to reflect that. Taken with the longer term broad objective of relocating people with learning disabilities currently located outside the borough back into Tower Hamlets, this will increase demand for suitable accommodation, often on the ground floor, also,

It is recognised that this is just the start of a longer piece of work and in the next three years will be undertaking additional research to ensure that services are responding to the changing needs of this population. This will include an analysis of older carers; degenerative disease in older people with learning difficulties as well as a larger review of all out-of-borough placements.

The national autism strategy asks local authorities if their housing strategies specifically identify the housing needs of people living with autism which include an estimate of how many people with autism we would be expecting to i) live in the community ii) live in supported housing iii) live in residential / nursing care. The Transforming Care programme is a national programme that aims to further reduce the number of people with a learning disability and/or autism who display behaviour that challenges, including those with a mental health condition who are in institutions, particularly aiming to reduce the number of in-patient facilities and increase the number of people with an LD or autism who are living in the community. The council expects there to be continued availability of funding under the Home Ownership for people with learning difficulties (HOLD) as part of the forthcoming investment prospectus and will need to assess what level of local demand there is to meet.

The council will work corporately towards meeting the needs of people with learning difficulties and autism over the next three years.

**Action 16:** Support the development of the Accommodation Plan for People with learning disabilities (LD) and support the development of accommodation for those with other disabilities and long term conditions, including autism.

## **5.9 Project 120 - meeting the needs of people who use wheelchairs**

Project 120 (P120) was started in 2012 to address the specific housing needs of families with a wheelchair user and other complex medical needs on the Council's Housing waiting list. The name stems from the 120 families who were on the Accessible Housing waiting list at that time.

The Council works closely with developers and housing associations to identify specific needs of a family at an early stage and identify a property in development which can then be adapted accordingly to meet that need. The project has been very successful and by April 2016, 148 families had been rehoused in new accommodation bespoke built to meet their needs.

**Action 17:** Work closely with colleagues and partners to support the most vulnerable people in the borough and continue to meet their housing needs

## 5.10 Gypsies and Travellers

Part of the Local Plan development process deals with assessing the housing needs of gypsies and travellers in the borough. As part of this process, council officers from planning; housing and environmental health will liaise to ensure that gypsy and traveller housing needs are fully considered in housing strategy and set out in the Local Plan to be adopted in autumn 2017.

**Action 18:** Assess the existing and future requirements for the gypsy and traveller communities

## 5.11 Young people and housing

Young people in Tower Hamlets experience homelessness each year in significant numbers. In 2015-16, more than half of the homelessness reported to the borough by single people came from those under 35, whilst just under a quarter who reported homelessness were aged between 18-25 (23%).

Risk indicators of homelessness for young people vary widely. These can include non-attendance at school or not being in education, employment or training (NEET), ongoing disputes with younger siblings, inter-generational conflict sometimes related to opposing religious and cultural values within the household, periods in childhood in local authority care, overcrowding, involvement in offending, abuse and violence in the home, teenage pregnancy, parental relationship breakdown and other parental factors.

Young people on low incomes unable to live in the family home face a number of difficulties accessing affordable alternative housing. A room in a shared house for rent privately is in virtually all parts of London beyond the budget of most u-35s who are in low waged work or entirely benefit dependant, due to housing benefit restrictions. New housing benefit restrictions which will apply to social housing from 2018 could also make the social sector unaffordable for many young people. In addition, from February 2017 phased introduction of new rules for job-seekers aged 18-21 could see many lose access to financial help with housing costs.

**Action 19:** Ensure that young people's housing needs are fairly reflected in the development of housing allocation and homelessness policies and the negative impact of welfare reforms are mitigated where possible.

## 5.12 The Waterway Community

Tower Hamlets is served by three interconnecting canals, the Grand Union, Hertford and Limehouse Cut. The canal network is managed by the Canal and River Trust with the Council having responsibility for planning matters related to the waterways in the borough. The number of people on boats using the network in the borough and across London has risen significantly over the past 5 years, possibly as it can provide a cheaper alternative to mainstream housing with the majority of users being transient 'continuous cruisers' moving on a regular basis around the whole London network.

There are relatively few fixed moorings in the borough but partners have identified some areas where permanent houseboats or medium term leases could be set up. The Housing and Planning Act 2016 includes a duty for local authorities to consider the needs of people residing places on inland waterways where houseboats can be moored. In order to meet this duty the Council has entered into an initial dialogue with partners including housing associations on the opportunities available on the canal network. The need for more residential moorings is supported by the Port of London Authority who are also keen to see the river retained for transport purposes.

**Action 20:** Investigate the possibility of developing more fixed moorings across the Borough's canals in order to provide additional fixed term housing opportunities

## **Section 6 – Delivery Theme 3 – Raising private rented housing standards**

### **Why this is important**

The private rented sector is now the largest segment of the local housing market. While private renting works well for some, not least as a short-term option, it is increasingly becoming the only option for people who want to rent a home in the social sector - or to buy a home - but can't save for a deposit because private rents are so high. A part of the housing strategy is about creating more choice for such households, but in the meantime we need to ensure that the standards of accommodation for people in private rented housing are good – not only by weeding out the bad landlords who give the sector a poor reputation but also by working to professionalise the sector, supporting “amateur” and small landlords to provide decent, well-managed homes to their tenants. Whilst much of the new-build private housing in the borough is well managed, some private sector rented homes are in poor condition and poorly managed.

Around 15,000 ex-council homes bought under the right to buy are now being let by private landlords. In some instances this has led to serious overcrowding and anti-social behaviour such as noise nuisance fly-tipping, and drug-related criminal behaviour on estates owned by the council and its housing association partners. We will work jointly with our partners to tackle these issues. The need to improve joint working runs as a theme through the strategy, underpinning a number of interventions that the council is undertaking in respect of private sector housing and other initiatives and issues it has to consider. These will be brought together through a stand-alone 2016-21 Private Sector Housing Strategy which will include reference to:

### **6.1 Landlord Licensing Scheme**

A landlord licensing scheme has been introduced for private landlords in the west of the borough covering the following areas:

- Spitalfields and Banglatown
- Weavers
- Whitechapel

The council wants to use selective licensing to tackle anti-social behaviour, deal with poor housing standards and assist in improving the overall management of rented accommodation. The Council could consider extending this scheme to homes in multiple occupation (HMOs) provided further conditions are met.

**Actions 21:** Review selective and additional licensing schemes for the private rented sector, ensuring that the schemes are adequately resourced; explore options for a scheme for houses in multiple occupation; and lobby government to use legal powers available adopt a wider licensing scheme where necessary.

### **6.2 Closer working with private sector landlords including promoting accreditation**

As a means of improving the quality of private rented housing across the borough, the Council wants to improve the quality and professionalism of private landlords. The Council is committed to supporting the London Landlord Accreditation Scheme. The Scheme awards accreditation to reputable landlords who undergo training and comply with a code of conduct. It was set up in 2004 as a partnership of landlord organisations, educational organisations and 33 London boroughs. Accreditation is a condition of access to Empty

Property Grants and is funded by the Council where a landlord lets through our Housing Options service to a homeless family.

**Action 22:** Develop enhanced support for landlords, including through the London Landlord Accreditation Scheme, to improve the quality of housing and management in the private rented sector.

### **6.3 Private Sector Housing Renewal policy 2016-21**

The council is required to have a private sector housing renewal policy. The council's current Private Sector Housing Renewal Policy 2016 – 2018, makes available a mix of grants and loans, some of which are means-tested, to tenants and landlords that fund bringing long term empty homes back into use. It also features Disabled Facilities Grants and Home Repair Grants that allow tenants to live independently in their homes

In May 2016, Council Tax records showed that 4,595 properties in Tower Hamlets have been empty for more than a year. Of these 2,963 are residential properties; 1,632 are commercial. Around half of these are second homes. However, many are in a neglected state and have a damaging impact on their local area.

The Council has concerns about the perceived trend of homes bought off-plan being left empty. The Council is also concerned that inappropriate Airbnb-style holiday letting may be reducing the availability of housing and causing nuisance to communities. We need to research these perceived trends, establish the evidence and plan what interventions, if any, are required.

In the context of a housing crisis, vacant properties could provide desperately needed homes. The Council can adopt a number of approaches towards bringing empty properties back into use including negotiating with owners, empty property grants, enforcement through Empty Dwelling Management Orders and Compulsory Purchase Orders

Disabled Facilities Grants and Home Repair Grants also feature in the Private Sector Housing Renewal policy that allow tenants to live independently in their homes

Disabled Facilities Grant is now contained within the Better Care Fund (BCF), a programme spanning both the NHS and local government. The intention is to better integrate health, social care, and housing support to the most vulnerable disabled people in our society, placing them at the centre of their care and support. The overall use of grant in relation to working across the sector, in particular to better enable hospital discharge and home security, will be developed over the course of this strategy.

On the trend of 'Buy to Leave' where homeowners are leaving homes empty, the council is keen to build up an evidence base to understand the scale of the issue in the borough and work with the GLA who are undertaking their own pan-London research.

#### **Actions 23:**

Develop an evidence base on the extent of Buy to Leave in the Borough and if necessary review the action the Council could take to reduce the number of new homes that are being purchased but being left empty by investors and by owners of existing empty properties.

Adopt an updated private sector housing strategy for 2016-21 which includes reference to the Better Care Fund approach and addressing empty homes issues.



#### **6.4 Housing conditions: investigation and enforcement**

The Private Housing Strategy supports the use of the full range of statutory powers available to enforce housing safety and standards. These include not only existing powers to deal with housing hazards and with statutory nuisance, but also new powers provided under the Housing and Planning Act 2016 to tackle criminal and rogue landlords more robustly.

To raise private rented housing standards, council officers on a cross departmental basis will need to develop a holistic approach to develop further and implement its statutory responsibilities and implement the priorities identified in this section.

**Action 24:** The council will continue to undertake its statutory responsibilities to ensure private rented sector housing is safe to live in and is well managed.

#### **6.5 Promoting the rights of private tenants**

Part of the council's work in this area will be promoting the rights of private tenants. This will include:

- Working with community partners and programme a regular publicity campaign to promote awareness of private tenants' rights - including on the Council website, in Our East End, and through posters in public spaces, Ideas Stores, and Council offices.
- Publishing and publicise expectations of how landlords should carry out the 'Right to Rent' checks consistently and fairly to avoid discrimination.
- Engaging with private tenants including through forums
- Provide tenancy training to homeless households moving into the private rented sector

**Action 25:** Develop and implement a programme of engagement with residents and stakeholders to promote the rights of private tenants.

#### **6.6 Other private sector housing issues**

Other issues relating to the private rented sector including supporting the Right to Manage for private sector and housing association leaseholders, influencing the growth and reach of institutional investment in quality private rented homes and promoting joint working towards all aspects of private rented sector housing are discussed in more detail in sections 4.8 to 4.10 of the Private Sector Housing Strategy.

## **Section 7 – Delivery Theme 4 - Effective partnership working with residents and stakeholders**

### **Why this is important**

As a guiding principle, more is achieved through working with people than not. Partnership working at its highest level is illustrated through the council's work with partners on the Community Plan, adopted in 2015. In housing terms, the council continues to be reliant on partners in the housing association and broader third sector to help deliver its housing objectives. A key element of this partnership working centres on the operation of the Common Housing Register and the Preferred Partners Agreement (PPA) which the council wishes to see continue. As part of this Strategy we are intend to review the PPA arrangement but remain committed to the principle of having development partners who are committed to local housing priorities. In addition the council places strong value on its partnership working with residents and seeks to underpin this by ensuring the boards of Tower Hamlets Homes and local housing associations have resident representation.

The council needs to consider the way it works with its partners, primarily its residents; housing associations; and other stakeholders in the borough and the Greater London Authority.

It will be important that the council is clear in expressing what changes are going to be proposed over the coming years and explain why. Some issues such as the passing into law the introduction of fixed term tenancies will involve further consultation and some difficult discussions with existing tenants and particularly those who hope to live in the borough in the future.

The introduction of Universal Credit benefits system may mean that council and housing association tenants in the future will have to pay their rent in a different way so we need to make sure advice and support is in place to ensure rent arrears do not build up.

In terms of specific areas of partnership working in the future:

### **7.1 Tower Hamlets Homes and the council's tenants and leaseholders**

Tower Hamlets Homes (THH) is the arm's length management organisation (ALMO) that is responsible for managing and maintaining the council's housing stock of some 21,000 social rented homes and leaseholder homes originally sold under the right to buy.

The ALMO, a company 100% owned by the council, was established to access government funding to deliver a decent homes programme, to repair and modernise the housing stock, whilst this programme was completed in 2016, the council continues to make significant investment in its stock to maintain a decent standard.

There has been an initial consideration of a possible extension of the Management Agreement (MA) for two years to July 2020. The decision of whether to extend the management agreement or to take an alternative approach is highly dependent on the local context. The decision will be driven by the wider housing strategy of the borough, the nature of the local housing market and the need for councils to deliver services more efficiently. THH is a key Council partner in mitigating some of the risks to the HRA over the next few years particularly, in relation to the revised rent legislation within the Welfare Reform and Work Act, and policies included in the Housing and Planning Act.

**Action 26:** Consider extending the council's management agreement with Tower Hamlets Homes.

## **7.2 Tower Hamlets Housing Forum: working with our registered provider partners**

The council works in partnership with around 50 housing associations in the borough, half of whom are members of the Common Housing Register, who collectively own and manage more homes than the council.

Specific areas of partnership working between the council and housing associations are:

- Preferred Partners Agreement - where certain housing associations which develop new housing in the borough are accredited by the council as preferred partners
- Common Housing Register Allocation Scheme – which is the council's and local housing association partners' allocation scheme for the borough
- Common Housing Register Agreement - where all new and empty homes that become available to occupy are allocated to applicants in need on the basis of the allocation rules set out in the Allocation Scheme

Some of our local housing associations – Poplar Harca, Eastend Homes and Tower Hamlets Community Housing – were set up by the council to deliver decent homes, improvements, new homes and broader regeneration outcomes which they have been undertaking. There are areas of housing management work, for example, waste management and dealing with anti-social behaviour in homes bought under the right to buy where the council and housing associations have a shared interest in addressing, which may involve some future joint working.

With the government's recent decision to force housing associations to reduce their rents by 1% for four years, this has meant that housing associations nationwide are progressing discussions about merging. Although a 1% reduction for four years doesn't sound much, this reduction has had a profound impact on housing association financial planning. This has impacted on the council (through Tower Hamlets Homes) too with difficult decisions having to be made about future investment. The impact on housing associations' business plans – particularly those who are developing new homes – is causing some organisations to pursue merger opportunities to insulate themselves from potential future financial difficulties.

We're concerned that such mergers will have a negative impact on local service delivery and negatively impact on broader strategic investment decisions. We are particularly keen that Tower Hamlets based local housing associations stay locally focused and accountable and we will work with the statutory authorities – principally the Greater London Authority and the Homes and Communities Agency - to make sure this remains the case.

A further issue is the government's stated intention to deregulate the housing association sector. What this means in practice will emerge over time, but our concern is that agreements and understandings in place on issues such as nomination agreements; responsibility to house homeless households; and council rights to nominate members to housing association boards will loosen.

The large majority of new affordable housing for rent will be delivered by housing association partners, most of whom are members of the council's Preferred Partners Panel. We intend to review the rationale for maintaining this arrangement, recognising that there will be

difficulties maintaining it and the difficulties associated with the council prescribing who builds future affordable housing in the borough.

The council is keen to support the work and independence of borough-focused registered providers and are prepared to work with them to assess how their investment capacity can be maximised to meet the major development and regeneration opportunities that remain in the borough. Ideally new housing that is developed by local partners in the borough, in partnership with the council (possibly with the support of the Mayor of London), can enhance the position of our local partners.

**Action 27:** Develop more effective working with registered providers operating in the borough delivering local priorities remain local, independent and accountable to residents. To achieve this, the council will seek to:

- crystallise this effective working relationship in the form of a covenant that sets out the obligations that the council and its registered partners have to each other and the residents that we work for in order to support local housing associations deliver our shared objectives including individual development and regeneration projects.
- continue its partnership working arrangements with registered providers through the Common Housing Register
- review the Preferred Partnering Protocol
- review how in partnership with borough-focused registered providers investment capacity can be maximised to meet major development and regeneration challenges that remain in the borough.

### **7.3 East London Housing Partnership and other local authorities**

As well as liaising closely with the Mayor of London and the Greater London Authority, the council works with its partner authorities in the East London Housing Partnership. This work covers a range of housing issues and will continue to do so as many of the issues we face in Tower Hamlets are faced by our neighbouring authorities also. As set out earlier in this document, the council is looking beyond our borough boundaries (and beyond East London) to deliver new housing options. We will need to be sensitive in our approach and work on a partnership basis and see where possible shared priorities can, if possible, be met.

**Action 28:** Continue to work in partnership with our East London neighbouring authorities and develop new partnerships where the council is seeking to meet its housing needs.

### **7.4 Private sector development partners**

The council works with private sector developers on a daily basis, not least through negotiating affordable housing through the planning process, usually called S106 legal agreements. These agreements require developers to deliver certain obligations in return for a planning consent. There is a broader and perennial challenge of negotiating social value from private sector investment. This is not exclusively about housing, but connects with the earlier priority to help ensure local people have access to quality employment opportunities.

**Action 29:** Continue to work in partnership with private sector partners to generate better employment opportunities for local people.

## 7.5 Third Sector Partners

Core to our partnership approach is working with third sector agencies many of which are members of the Tower Hamlets Council for Voluntary Service. Whilst many employ members of staff they are by definition reliant on people giving their time and money voluntarily to help support people who make up the Tower Hamlets community. One of their major assets is their contribution to filling the service gap that public and private sector agencies are unable to fill, nurturing community activities and services and providing forums for people to meet and interact, fostering community cohesion.

**Action 30:** Continue to work in partnership with third sector partners to generate better employment opportunities and broader community regeneration outcomes for local people.

## 7.6 Helping to deliver healthier communities

The aim of the Tower Hamlets Health and Wellbeing Board (HWBB) is to improve the health and wellbeing of Borough residents. The Board's work programme is led by the borough's Director of Public Health in partnership with health and other stakeholders. The board is responsible for producing the Joint Health and Wellbeing Strategy and also the Joint Strategic Needs Assessment (JSNA) which in housing and health terms helps stakeholders understand what future health needs have to be catered for and what the housing implications of those needs are. A broader responsibility of the Board is promote healthy lifestyles, e.g., reducing alcohol and tobacco dependence, reducing teenage pregnancies; tackling obesity; which proactively reduce future dependence on day to day health services. As part of its future approach, the Board has identified five areas for transformation:

- Addressing the health impacts of deprivation
- Helping communities lead change around health
  - Healthy place
  - Tackling childhood obesity; and
  - Developing a truly integrated system to support health.

Quality housing accommodation makes a significant contribution to individual and community well-being. However, it's not always the case that households have this platform to live healthy lives. Issues such as overcrowding and damp, poorly ventilated accommodation are likely to contribute to negative health outcomes and with an increasing number of vulnerable households in private, temporary accommodation where housing conditions are generally poorer. There is an obvious read across to the work of housing stakeholders and there is already considerable joint working between the HWBB and housing association partners represented on the Tower Hamlets Housing Forum, referenced in section 7.2 of this strategy document. Future joint work could include working with housing associations to promote health and care issues such as GP registration, screening programmes and health promotion.

Linked to this is the wider agenda of *Making Every Contact Count* which encourages conversations based on behaviour change methodologies (ranging from brief advice, to more advanced behaviour change techniques), empowering healthier lifestyle choices and exploring the wider social determinants that influence all of our health.

**Action 31:** Tower Hamlets housing stakeholders will continue to support and disseminate the work of the Health and Wellbeing Board to deliver better health outcomes for the borough's residents; facilitate the dissemination of the *Making Every Contact Count* approach.

## **7.7 Working with our residents**

Ensuring that residents' needs and aspirations are reflected in the council's work on housing will need to be core to our future strategic approach.

### **- Engagement and Representation**

Giving residents the opportunity to express what's important to them will need to continue featuring in what the council and its partners do. Whether this is through board membership on local housing associations; representation on scrutiny panels; speaking rights at meetings; or just making sure residents' enquiries and complaints are dealt with effectively as possible will help ensure residents' views are effectively represented. The council remains committed to maximising the amount of new affordable housing to rent and buy that is delivered in the borough and retaining what we have, new priorities that have arisen from the growth of private rented housing means that we need to widen our approach and the expertise that underpins it.

### **- New homes on council-owned land**

We also understand that existing residents, particularly on council estates, are concerned about new build schemes that are being proposed on council-owned sites that can contribute to the council's objective of 1,000 new council homes by 2018. We recognise that concern, but ultimately the scale of the housing crisis is such that we need to consider and propose schemes that some residents will find difficult to accept. The council will always ensure that residents have the opportunity to have their say with all proposed schemes having to meet the council's planning policies.

### **- New Homes on housing association-owned land**

Whilst the council is the single largest social landlord in the borough, taken together housing associations have more social housing stock than the council. This is partly because of the transfer of stock from the council to housing associations under the *Housing Choice* process, with the other reason being the significant development of new affordable housing in recent decades. Most of the largest housing associations in the borough are represented on the Tower Hamlets Housing Forum referenced in section 7.2 of this section.

In tandem with the council seeking to redevelop council estates – Ocean and Robin Hood Gardens as examples – using housing associations as partners, there is a more recent trend of housing associations seeking to redevelop their own stock, without direct assistance from the council. Given the high values of land in the borough and the limited amount of public subsidy to build new homes, this is a trend that we expect to continue. However, there are certain guiding principles that we intend to adopt when considering proposals that are put forward to the council and affected residents for consideration. The council will expect:

- the number of social rented housing units to be replaced on a 'like for like' basis, for example, space standards, but also allowing for some changes of mix to reflect tenants' changed accommodation needs, caused, for example, by overcrowding

- tenants to be able to move once or at minimum have a right to return to their area
- housing options for leaseholders to remain in their area
- at least 50% affordable housing on the proposed new development
- tenants and leaseholders to be consulted from the outset on proposals and to have access to their own independent tenant advisors and ideally a consensus reached on development proposals

The council will always ensure that residents have the opportunity to have their say with all proposed schemes having to meet the council's planning policies.

#### **- Meeting welfare reform challenges**

As welfare reform continues to roll out, we think some tenants will struggle with the introduction of the new Universal Credit. This will mean housing benefits, instead of being paid direct to the landlord, will be paid to the applicant with other benefits, which means they will need to pay their rent to the landlord. With competing household expenses, some tenants may find it difficult to prioritise, and fall into rent arrears as a result. With the reduction in the Universal Credit to £23,000 a year for non-working households. Ensuring that tenancy packs have details of benefit entitlements and contacts for key service providers, including information on local community facilities can help with the broader objective of helping tenants to settle in to use their home as the platform to realise their wider ambitions. The council will need to strike a balance between sharing information electronically through social media as well as more traditional ways through leaflets and meetings.

**Action 32:** Tower Hamlets housing stakeholders will continue to ensure that residents' needs and aspirations are reflected in the work that they undertake; ensure residents have the opportunity to have their voices heard by the key housing stakeholders; ensure that up to date and accessible housing advice is given to residents impacted by the continuing roll out of welfare reform.

### **7.8 Working with the Mayor of London and the Greater London Authority**

This housing strategy document makes extensive reference to the housing ambitions of the Mayor of London which the Greater London Authority (GLA) will have a core coordinating and investment role to help deliver the majority of the affordable housing the borough needs. The GLA has played a significant planning and investment role in the council's success, delivering the affordable housing it has delivered to date. A recent example of that partnership is demonstrated by the creation of the Poplar Housing Zone. The council expects this partnership to continue and widen given the breadth of Mayoral commitments set out in Section 3 of this document.

Later in 2016, we expect the GLA to publish an Investment Prospectus for the 2016/21 Affordable Housing Programme; a Draft Affordable Housing Supplementary Planning Guidance (SPG) document; more detail on the proposed London Living Rents. This will require a considerable level of engagement between the council and the GLA, some of which will be through the East London Housing Partnership referenced above, in order to ensure the Mayor's ambitions are realised in a successful and sustainable way.

**Action 33:** The council and Greater London Authority (GLA) will continue to work in partnership to realise the Mayor of London and Tower Hamlets' shared housing objectives.



## **Section 8 – Our approach to equalities**

The Equality Act 2010 places equality mandatory duty on local authorities (and other public bodies) to protect people from discrimination in the workplace and in wider society. To meet this duty, the Council needs to consider all individuals when carrying out their day-to-day work when shaping policy, in delivering services and in relation to their own employees. It also requires that public bodies to:

- have due regard to the need to eliminate discrimination
- advance equality of opportunity
- foster good relations between different people when carrying out their activities

The adoption of the Housing Strategy and associated documents requires the Council to undertake an Equalities Impact Assessment (EqIA) to fully assess what the positive, negative or neutral impacts of adopting the documents will be on defined equality groups. The nine relevant protected characteristics of these groups are:

1. Disability
2. Gender Reassignment
3. Pregnancy and maternity
4. Race
5. Religion or belief
6. Sex
7. Sexual orientation
8. Marriage and civil partnership
9. Age

Tower Hamlets has an additional category aimed at reducing social and economic exclusion.

10. Socio economic

An initial Equality Assurance Checklist has been completed which does not identify an adverse impact from these proposals on the equality groups of the nine protected characteristics. A full assessment of individual policies such as the Allocations Scheme and Homelessness Strategy will be carried out and if any potential negative impacts are identified mitigating actions will be identified accordingly.

Respondents to the consultation on the Housing Strategy 2016 – 2021 Consultation document have been requested to be mindful of the duty placed upon the Council in relation Equality Act 2010 and are asked to identify any potential impacts of the proposals contained in this document on the equality groups accordingly.

## **Section 9 - Financial Overview – Resourcing the delivery of the housing strategy**

When framing a housing strategy and identifying policy actions to deliver them, the next issue to consider is resources. Work will need to be undertaken to ensure responsibilities are allocated to officers and a detailed workplan prepared. This section sets out in broad terms a financial overview of the environment in which the council and its partners work within. The focus is primarily on the funding the delivery of new affordable homes.

### **9.1 Government Funding**

The government has set out in clear terms its policy towards housing and particularly council housing in its 2016 Housing and Planning Act which is described in Section 3 of this document. The government plans to end the issuing of lifetime tenancies; require council landlords to sell its own higher value homes to fund the extension of the right to buy for housing associations; and have imposed a reduction in rents over a four year period on all social landlords. The government has also made clear that the future funding for new affordable housing will be focused principally on affordable home ownership through shared ownership and starter homes programmes, neither of which are likely to be affordable to most people in the borough on low to medium incomes. Therefore the council is not expecting any significant support from central government to meet the significant housing challenges the council and its partners are facing.

### **9.2 Greater London Authority Funding**

The GLA on behalf of the Mayor of London administers funding programmes that channel funding available from government to build new affordable housing. The GLA in recent years has promoted Housing Zones which take a longer term, more holistic area-focused approach to realising large scale development opportunities. In Tower Hamlets, there is a Housing Zone for Poplar Riverside which is expected to deliver 9,000 new homes.

In tandem with this, significant interventions in the field of estate regeneration have been undertaken using a model of demolishing council homes to be replaced with a mix of private for sale; shared ownership; and housing association homes (usually for tenants displaced by the works) has been successfully undertaken all over London, with Tower Hamlets one of the leading agencies for change. We expect this trend to continue and the GLA are funding schemes under its Estate Regeneration Fund to achieve this.

At the time of writing, a financial settlement between the Mayor of London and the government had yet to be announced, but it is clearly likely to be less generous than previous funding rounds, but still set alongside more ambitious targets. The Mayor of London in September 2016 set out the broad principles that will support the new London Living Rent product which will be for working households on incomes of between £35,000 and £45,000. The council expects this to be a key feature of the affordable homes programme to be published later in 2016. The settlement from government will provide funding for new affordable housing from 2018 onwards, probably over three years, but longer for Housing Zones schemes (if supported). The GLA would normally have regard to their own Housing Strategy and London Plan when considering what priorities it wants to fund and on what terms. But it is noted that the current London Plan and Housing Strategy (adopted by the previous Mayor

of London) are quite different to the stated housing ambitions of both the new Mayor, Sadiq Khan, and central government, most noticeably on the balance between homes for rent and homes for affordable home ownership, so it is to be expected that both the London Plan and London Housing Strategy will be subject to revision in the coming years.

Given the borough hosts three Mayor of London Opportunity Areas (where opportunities for major housing growth have been identified as described in Section 4.1 of this document) the council and its partners are well positioned to be recipients of new funding. New funding is likely to be increasingly focused on equity loans rather than grant. This is particularly useful for the initial stages of major regeneration projects which require 'front funding' to help buy out leaseholders and undertake enabling work, but this money does need to be paid back to government in the future with the intention of recycling it for interventions elsewhere.

A major issue in Tower Hamlets continues to be the high cost of land and associated enabling costs. In value for money terms, schemes delivering affordable housing in outer London where land prices are lower are likely to look more attractive. The adoption of the National Planning Policy Framework and the impending introduction of the Starter Homes Initiative means it will be increasingly difficult to require private developers to provide affordable housing for rent and for the future, it is increasingly likely that the council itself will be the change agency using its own land, money and efforts that will deliver the affordable rented housing it clearly needs.

We expect the Mayor of London to publish later in 2016:

- The Investment Prospectus which will set out funding priorities for the 2016-21 affordable housing programme
- Draft Affordable Housing Supplementary Planning Guidance
- Detailed guidance on the levels of proposed London Living Rents

This will set the direction of housing investment strategy and policy in the capital for the immediate future.

### **9.3 Tower Hamlets Council Funding**

The council's Cabinet considered in July 2016 a report entitled 'Housing Revenue Account: Outline 30 Year Business Plan and Medium Term Financial Outlook'. The Housing Revenue Account (HRA) relates to the activities of the Council as landlord of its dwelling stock, and the items to be credited and debited to the HRA are prescribed by statute. Income is primarily derived from tenants' rents and service charges, and expenditure includes repairs and maintenance and the provision of services to manage the Council's housing stock. The HRA also benefits from some but not all of right to buy receipts and can benefit from other funds, such as the government's new homes bonus. These funds can contribute towards the development of both new Council and Housing association housing.

The HRA is self-financing and no longer reliant on government subsidy, meaning the council needs to plan carefully and prudently for the future, ensuring there is sufficient funding to meet its landlord obligations to its tenants and leaseholders over the medium to long term. The original intention was to give local authorities greater freedom to use their assets and income, but in 2015 it was announced that social rents would be reduced by 1% for four years beginning in 2016/17. Combined with

the sale of higher value empty council homes, these initiatives have had a negative impact on the scope of what the council would like to do in the future.

Despite the difficult position the council finds itself in due to the government announcement on rents in 2015, over the next 30 years, the council expects to spend over £1bn (today's prices) on maintaining its stock as well as funding a significant programme of new council home building. The council has a programme of over 500 new council homes to be built (See Section 4.3) with a commitment to build a total of 1,000 council homes by 2018.

To deliver the housing strategy commitments – particularly those focused on new housing delivery – the council will need to be flexible in its approach in order to realise new priorities and initiatives that emerge in the future. Inevitably this will involve close partnership working our development partners and residents of the borough, using what land, money, borrowing powers and people resources to maximum effect.

An issue with many local authorities are facing relates to rising costs of temporary accommodation (TA) for homeless people. We expect the trend of homelessness to rise and this means TA costs are likely to rise as well unless the council does something about it. In section 4.4 of this document we set out in more detail what options we are looking at to mitigate the long term financial impacts of this trend which will include greater reliance on the private rented sector, including such accommodation outside the borough.

#### **9.4 Tacking Fraud**

As important as ensuring the Council achieves best value through the use of existing resources is to ensure that fraudulently activity is tackled to ensure the scarce homes available are used to meet the genuine needs of those identified through the Council's common housing register allocations scheme.

Social housing tenancies have a very high economic value. This means that there are people who are prepared to adopt what is now criminal behaviour to mislead council officers and officers from its partner housing associations in order to gain a council or housing association tenancy; and/or place their own tenants in that home on an unauthorised basis; and in some instances exercise a right to buy.

High rents in the private sector and the close proximity of Tower Hamlets to the City and Canary Wharf creates conditions which can make sub-letting attractive. The Council will seek to develop existing collaborative working arrangements to target use of social/affordable rent/home ownership homes for sub-letting activity and commercial gain as well as being diligent in its scrutiny of Right to Buy applications which attract substantial discounts for those purchasing.

#### **9.5 Conclusion**

From time to time, there will be a need to review specific actions, for example, when the Mayor of London's new Housing Strategy is finalised and certain policies that the council has adopted need to amended to fit with them. In effect, this means this housing strategy will need to be a 'live' document, reviewed annually, taking account of what is a very fast moving environment.

The remainder of this document is a schedule of the actions set out in the strategy which will deliver the vision that we set out in the beginning of the document. The council will develop a workplan that will help deliver the objectives we set out.

## **Section 10 – Housing Strategy Actions**

<p><b>Delivery Theme 1 – More affordable housing, economic growth and regeneration</b></p>
<p><b>Action 1:</b> Maximise affordable housing building from all sources of housing supply, with a focus on the borough’s three opportunity areas</p>
<p><b>Actions 2:</b></p> <ul style="list-style-type: none"> <li>• Use council-owned sites to deliver 100% rented housing combining social target rents and homes at ‘living rent’.</li> <li>• Use council-owned sites to develop higher rent homes let to applicants from a separate waiting list and potentially developed by a council owned Housing Company.</li> <li>• Reduce government defined Affordable Rents to lower levels including social target rents taking into account the possible reduction in overall affordable homes for rent.</li> <li>• Plan for emerging Government policy, in particular the proposed requirement to deliver 20% Starter Homes on schemes over 10 units as part of the affordable housing offer.</li> <li>• Review its policy regarding commuted sums for affordable housing, with the aim of: <ul style="list-style-type: none"> <li>▪ Creating mixed and sustainable communities</li> <li>▪ Considering the overall output of affordable housing</li> <li>▪ Making best use of Council owned land/assets.</li> </ul> </li> <li>• Develop clear affordable housing policy for market sale, for discounted market sale including Starter Homes and shared equity schemes with reference to evidence available regarding take up of subsidised home ownership schemes.</li> <li>• Explore long term financial investment from institutions for an intermediate rent product for households with average/median incomes.</li> </ul>
<p><b>Action 3:</b> Complete a full capacity study of Council owned land site (within the Housing Revenue Account and the General Fund) to identify opportunities and funding options.</p>
<p><b>Actions 4:</b></p> <ul style="list-style-type: none"> <li>• Set up a housing company to deliver new homes both inside and outside the borough.</li> <li>• Explore the merits of the developing a co living model of housing for working people.</li> <li>• Explore the merits of the council buying or developing its own accommodation to meet emergency and temporary housing needs for homeless households.</li> <li>• Explore the use of modular housing to assist in meeting homeless and mainstream housing need across the Borough.</li> </ul>
<p><b>Action 5:</b> Ensure new developments are built to near zero energy high efficiency targets and through carbon offsetting initiatives the Council will deliver residential energy improvement projects.</p> <p>Building on the Mayor of London’s Housing Design Guide, the council will seek the highest quality housing standards in new affordable housing built in the borough.</p>
<p><b>Action 6:</b> Analyse the register of self-builders in line with statutory requirement in order to inform the Local Plan and respond to self and custom build.</p>
<p><b>Action 7:</b> Ensure the council’s future housing interventions help foster a community spirit  Develop a new growth strategy to help ensure local job opportunities are maximised for local people</p>

<b>Delivery Theme 2 - Meeting people's housing needs</b>
<b>Action 8:</b> Refresh the Common Housing Register Allocation Scheme to widen housing options for the council to give priority to those in housing need and use private rented housing and other suitable accommodation to meet housing needs.
<b>Action 9:</b> Develop and implement an intermediate housing register.
<b>Action 10:</b> Refresh our Homelessness Statement into a Strategy and align it with the 2016-21 Housing Strategy.
<b>Action 11:</b> Reconvene the Homelessness Partnership Board who will oversee the production, delivery and monitoring of the action plan
<b>Action 12:</b> Refresh the Tenancy Strategy to take account of legislative changes requiring local authorities to issue fixed term tenancies.
<b>Action 13:</b> Keep under review the Overcrowding and Under-occupation Plan.
<b>Action 14:</b> Contribute towards the development of the Corporate Ageing Well Strategy which includes reference to developing accommodation designed to meet the needs and wishes of older people.
<b>Action 15:</b> Ensure that supported housing needs are reflected in both the common housing register allocations scheme and the delivery of new affordable housing.
<b>Action 16:</b> Support the development of the Accommodation Plan for People with a Learning Disabilities (LD) and support the development of accommodation for those with other disabilities and long term conditions, including autism.
<b>Action 17:</b> Work closely with colleagues and partners to support the most vulnerable people in the borough and continue to meet their housing needs.
<b>Action 18:</b> Assess the existing and future requirements for the gypsy and traveller communities.
<b>Action 19:</b> Ensure that young people's housing needs are fairly reflected in the development of housing allocation and homelessness policies and the negative impact of welfare reforms are mitigated where possible.
<b>Action 20:</b> Investigate the possibility of developing more fixed moorings across the Borough's canals in order to provide additional fixed term housing opportunities
<b>Delivery Theme 3 - Raising private rented housing standards</b>
<b>Actions 21:</b> Review selective/additional licensing schemes for private rented sector; explore options for a scheme for houses in multiple occupation; and lobby government to use legal powers available adopt a wider licensing scheme where necessary.
<b>Action 22:</b> Develop enhanced support for landlords, including through the London Landlord Accreditation Scheme, to improve the quality of housing and management in the private rented sector.
<b>Action 23:</b> Develop an evidence base on the extent of Buy to Leave in the Borough and if necessary review the action the Council could take to reduce the number of new homes that are being purchased but being left empty by investors and by owners of existing empty properties; Deliver an updated private sector housing strategy for 2016-21 which includes reference to the Better Care Fund approach and addressing empty homes issues.
<b>Action 24:</b> The council will continue to undertake its statutory responsibilities to ensure private rented sector housing is safe to live in and is well managed.
<b>Action 25:</b> Develop and implement a programme of engagement with residents and stakeholders to promote the rights of private tenants.

<b>Delivery Theme 4 - Effective partnership working with residents and stakeholders</b>
<b>Action 26:</b> Consider extending the council's management agreement with Tower Hamlets Homes.
<b>Action 27:</b> Develop more effective working with registered providers operating in the borough delivering local priorities remain local, independent and accountable to residents. To achieve this, the council will seek to: <ul style="list-style-type: none"><li>• crystallise this effective working relationship in the form of a covenant that sets out the obligations that the council and its registered partners have to each other and the residents that we work for in order to support local housing associations deliver our shared objectives.</li><li>• continue its partnership working arrangements with registered providers through the Common Housing Register</li><li>• review the Preferred Partnering Protocol.</li><li>• review how in partnership with borough-focused registered providers investment capacity can be maximised to meet major development and regeneration challenges that remain in the borough.</li></ul>
<b>Action 28:</b> Continue to work in partnership with our East London neighbouring authorities and develop new partnerships where the council is seeking to meet its housing needs.
<b>Action 29:</b> Continue to work in partnership with private sector partners to generate better employment opportunities for local people.
<b>Action 30:</b> Continue to work in partnership with third sector partners to generate better employment opportunities and broader community regeneration outcomes for local people.
<b>Action 31:</b> Tower Hamlets housing stakeholders will continue to support and disseminate the work of the Health and Wellbeing Board to deliver better health outcomes for the borough's residents; facilitate the dissemination of the <i>Making Every Contact Count approach</i> .
<b>Action 32:</b> Tower Hamlets housing stakeholders will continue to ensure that residents' needs and aspirations are reflected in the work that they undertake; ensure residents have the opportunity to have their voices heard by the key housing stakeholders; ensure that up to date and accessible housing advice is given to residents impacted by the continuing roll out of welfare reform.
<b>Action 33 :</b> The council and Greater London Authority (GLA) will continue to work in partnership to realise the Mayor of London and Tower Hamlets' shared housing objectives



## Annex A - Glossary of Terms

### **Affordable Rented Housing – comprises two forms of affordable rented housing.**

- Social rented housing is usually owned by local authorities and private registered providers (as defined in section 80 of the Housing and Regeneration Act 2008), for which guideline target rents are determined through the national rent regime.
- Affordable rented housing is let by local authorities or private registered providers of social housing to households who are eligible for social rented housing. Affordable Rent is subject to rent controls that require a rent of no more than 80 per cent of the local market rent (including service charges, where applicable).

**Arm's Length Management Organisation (ALMO)** – an organisation set up and owned by the council to manage its housing stock. The ALMO in the borough is called Tower Hamlets Homes.

**Assured Tenancy** – The type of tenancy issued by housing associations which are 'lifetime' tenancies. For new tenants, these are preceded by a 'Starter Tenancy', usually for one year.

**Assured Shorthold Tenancy (AST)** – The type of tenancy issued by housing association landlords which are fixed term tenancies, usually preceded by a Starter Tenancy for one year, sometimes extended to 18 months. ASTs are usually for five years, but can be as short as two years or longer than five years. Private landlords also use this tenancy, but usually issue them for shorter periods, between 6 months and year, but can be longer.

**Common Housing Register Allocation Scheme** – The council is required by law to produce a Housing Allocation Scheme. In Tower Hamlets, the council works in partnership with local housing associations to produce a joint document, the Common Housing Register Allocation Scheme. This document sets out the policies which decide who can go on the register which may mean being allocated affordable rented housing in the borough. The scheme also sets out how homelessness needs are met.

**Community Land Trust housing model** - An alternative form of intermediate housing is through community land trusts. The model is based on the land on which the homes are built being retained for affordable housing in perpetuity. The mutual home ownership model requires that prospective occupiers become co-operative members who pay a housing cost based on what they can afford and over time, build up a premium over and above meeting the costs necessary to meet the co-op's housing management and loan costs. This premium can be released if the occupier leaves the scheme for alternative accommodation.

**Commuted Sums** – See S106.

**Department for Communities and Local Government (DCLG)** – The government department of state responsible for housing, planning and regeneration, which also sponsors the Homes and Communities Agency.

**Fixed Term Tenancy** – The type of tenancy issued by local authority or ALMO landlords which are for fixed terms. These are usually for five years (but can be for longer), but can be as short as two years or longer than five years. These tenancies have the same rights and conditions as Secure Lifetime Tenancies, but are for fixed terms.

**Greater London Authority** – comprises the Mayor of London; London Assembly; and the staff who support their work. It is the capital's strategic regional authority, with powers over transport, policing, economic development, housing, planning and fire and emergency planning. The Mayor is responsible for producing the London Housing Strategy and the London Plan. The council's housing strategy and local plan need to be in general conformity with the Mayor's documents.

**Homes and Communities Agency (HCA)** – The government appointed regulator of housing associations who are registered with the HCA, i.e., registered providers. The HCA provides governance and financial viability ratings for individual housing associations.

**Housing Allocation Scheme** – See Common Housing Register Allocation Scheme.

**Houses in Multiple Occupation (HMOs)** – are privately rented homes where residents occupy individual rooms and use the kitchen/bathrooms on a shared basis. These can be homes which are houses, maisonettes or flats. If the home is three storeys or more, it needs to be licensed by the council for occupiers' use. Increasingly HMOs can be found in former council rented and our stock transfer partners' properties.

**Housing Associations** – are social landlord organisations which are not local authority landlords, who provide affordable rented accommodation. Housing associations registered with the Homes and Communities Agency are known as 'Private Registered Providers' and used to be known as Registered Social Landlords (RSLs).

**Intermediate Housing** – A broad term to describe accommodation which is intended to be affordable for working households available for rent; ownership or a combination of rent and ownership. Such households do not usually qualify to go on the Common Housing Register but are not able to afford housing on the open market for private rent or ownership.

**London Living Rent** – A new intermediate housing product which the Mayor of London is promoting, based on the principle that rents shouldn't be more than around a third of what people earn.

**Secure Lifetime Tenancy** - The type of tenancy issued by councils or ALMOs which are 'lifetime' tenancies. For new tenants, these can be preceded by an 'Introductory Tenancy', usually for one year.

**Local Plan** – A local authority planning document that sets out the council's proposed planning and land allocation policies over a set period of time.

**Low Cost Home Ownership (LCHO)** – A form of affordable housing that is available for sale at less than open market values, either through shared ownership or at a discounted price.

**Private Rented Housing** – Accommodation let by private landlords at market rates, usually on an Assured Shorthold Tenancy. Private rented housing should be considered part of the market housing sector.

**Registered Providers** – Housing associations and Arms-Length Management Organisations (ALMOs) which are registered as providers of affordable housing with the Homes and Communities Agency (HCA).

**S106** – is a legal agreement between a developer and the council for the developer to provide specific community contributions in return for the council granting planning consent

for a scheme. These community contributions can be money – commuted sums – to go towards building schools, health facilities, or affordable housing. Alternatively it can be an agreement to do certain things, for example, environmental improvements or provide affordable housing. The housing is usually provided through the developer contracting with a housing association.

**Shared Ownership** – An intermediate housing product available from housing associations (and more recently other bodies) whereby the applicant buys a share of a home (not less than 25%) and rents the remainder.

**Starter Homes** – A government-sponsored affordable housing product which will be available to buy at no more than £450,000 (or £250,000 outside London) and no more than 80% of local market values. The government wants to require local authorities to deliver Starter Homes through private developers.

**Tenancy Strategy** – A statutory local authority document that sets out its policy on the types of affordable housing tenancies (i.e., lifetime tenancies or fixed term tenancies) they wish to see granted by Registered Providers in their areas and on what terms they think the tenancies should be renewed. With the passing of the Housing and Planning Act 2016, it is likely this will need to be revised to reflect the requirement for the council (through Tower Hamlets Homes) to issue fixed term tenancies.

**Tower Hamlets Homes** – The council's arms length management organisation (ALMO) which manages the council's housing stock.

This page is intentionally left blank

## **London Borough of Tower Hamlets**

### **Draft 2016-21 Homelessness Strategy Outline**

#### **Index**

**Section 1 – Reasons for a Homelessness Strategy**

**Section 2 - What we say about homelessness in our Draft 2016-21 Housing Strategy (July 2016), reviewing progress that we have made**

**Section 3 - Reviewing the Homelessness Statement 2013-17**

**Section 4 - Options to inform the development of the council's 2016-21 Homelessness Strategy:**

**Theme 1 – Homeless Prevention and Tackling the Causes of Homelessness**

**Theme 2 - Access to Affordable Housing Options**

**Theme 3 - Children, Families and Young People**

**Theme 4 – Vulnerable Adults**

## **Section 1 – Reasons for a Homelessness Strategy**

### **Introduction**

A local authority with housing responsibilities – a local housing authority – under the 2002 Homelessness Act may carry out a homelessness review for their district and following that may formulate and publish a homelessness strategy based on the results of that review. It is expected that such strategies should be refreshed every 5 years.

Tower Hamlets Council previously adopted a *Homelessness Statement 2013 to 2017* which set out the council's approach to both addressing homelessness needs as defined by legislation – meeting its statutory duties - and what advice and support it was able to give to help prevent homelessness.

The council has decided to adopt a new 2016/21 Housing Strategy which sets out in broad terms the council's broad approach to housing in its area. In connection with this, the council has decided to refresh its *Homelessness Statement 2013 to 2017*, building on what has been achieved; introducing new policy actions; and aligning the new document with the council's new housing approach. An important document to read in conjunction with this document is the Common Housing Register Allocation Scheme (also being refreshed in 2016) which sets out in more detail how the council and its registered provider partners intend to meet its statutory homelessness duties.

### **National Policy – Legislation and Guidance**

In addition to the statutory requirements of the Housing Act 1996 as amended by the Homelessness Act 2002, the government from time to time issues guidance, for example on allocations, and also information on how local housing authorities can address specific issues, such as rough sleeping. Also published are Regulations that set out in more detail the requirements of legislation.

The Localism Act 2011 was intended to allow local authorities more flexibility when managing or allocating accommodation. The provisions included the power for local authorities to discharge their full homelessness duty by providing suitable private rented accommodation for people who applied after November 2012, regardless of whether the homeless person agrees.

An important document for consideration when framing the housing allocation scheme is the *DCLG Allocation of accommodation: guidance for local housing authorities in England (June 2012)*. This makes clear that people who are homeless should be given reasonable preference – a head start on some other applicants - when determining housing priorities.

The government also published a *Vision to end rough sleeping: No Second Night Out nationwide* (July 2011) which sets out six commitments related to people who sleep rough which are focused on:

- Helping people off the streets
- Helping people to access healthcare
- Helping people into work
- Reducing bureaucratic burdens
- Increasing local control over investment in services
- Devolving responsibility for tackling homelessness

The principle behind No Second Night Out is that a person's or household's housing crisis may mean they are homeless for one night, but that there should be a sufficiently wide ranging, flexible suite of services available from local authorities that ensure that they are not roofless for a second night.

The government published *Making every contact count: a joint approach to preventing homelessness (2012)* which stated that:

*Effectively preventing homelessness goes beyond addressing immediate housing needs and requires a sustained commitment across all agencies to address the underlining causes of homelessness. These are often: unemployment, low skills levels, substance misuse, mental health issues, crime and dysfunctional family background.*

The document highlighted the need to recognise that homelessness is often one symptom of a wider range of challenges applicants are facing and that such needs need to be met in a holistic fashion. This involves a considerable degree of cross departmental and inter-agency working and happens on a regular basis and it's clear that this kind of working is likely to increase.

For the future, it is expected that the government will be placing a homelessness prevention duty on local housing authorities in England replicating the duty adopted in Wales. Whilst this duty is not in place, this appears to be the direction of travel of national policy and the council will need to be giving early thought to how this requirement can be met at a time of increasing homelessness demand and diminishing resources. The council already provides assistance to non-priority homeless households on a discretionary basis, which closely mirrors the Welsh system. Subject to the detail of future legislation, if this responsibility becomes statutory, there are likely to be additional costs associated with the services required.

### **Regional Policy - Homes for London – The London Housing Strategy (June 2014)**

The Mayor of London has a statutory duty to publish and consult on a housing strategy for the capital, which needs to be aligned with his London Plan. The current strategy was adopted by the previous Mayor of London, Boris Johnson, and the council expects the recently elected Mayor, Sadiq Khan, to set in train a process to revise the current document.

There are two specific policy commitments homelessness which centre on working with boroughs to reduce rough sleeping and promoting the use of NOTIFY and the pan-London inter-borough accommodation agreement when placing homeless households in out of borough accommodation. The council will continue to help deliver the two policy commitments set out in the current housing strategy and will work with the new Mayor on new strategy and policy commitments designed to reduce homelessness and rough sleeping.

### **Homelessness Reduction Bill 2016**

At the time of finalising this Strategy, a Private Members' Homelessness Reduction Bill was before Parliament. Core to the Bill's purpose is a duty to prevent homelessness, building on the current duty to meet its consequences. The council is already committed to preventing where possible homelessness in all scenarios. We recognise that it is important to prevent where possible the instances of non-priority homelessness as these have the potential to become priority cases of the future. Whilst the council is broadly supportive of the Bill's aims,

with sources of permanent and temporary accommodation diminishing, placing additional homelessness duties on local authorities will be challenging.

## **In conclusion**

Ultimately, a sustained increase over the medium to long term in the provision of affordable rented accommodation (and associated supported housing) would lead over time to a reduction in reported homelessness. The amount of funding available to support the delivery of affordable rented housing supply across the capital is likely to fall given the government's commitment to supporting low cost home ownership accommodation. The situation is further exacerbated by trends in the private rented market.

The ending of Assured Shorthold Tenancies in the private rented sector has become the main cause of homelessness in London. This, combined with the fact that local housing allowance has been frozen since 2011 at a time when private rents in London have increased substantially has meant the private rented sector is an increasingly unaffordable and unsustainable housing option for people who are on average or low incomes and threatened with homelessness. This in turn is likely to result in homelessness continuing to have an upward trajectory.

The council has also struggled to procure affordable private sector temporary accommodation to fulfil its statutory duties to homeless households, resulting in a substantial increase in the cost of temporary accommodation to the general fund. Nevertheless there are occasions when suitable, affordable private sector options arise which can help prevent or relieve homelessness.

Given the availability of affordable private rented accommodation is likely to diminish, unless local housing allowance and temporary accommodation subsidy are increased to more closely match market rents, the council needs to actively plan for a future with the objective of diversifying the supply of temporary accommodation thereby reducing the dependence on expensive PRS stock and achieving an affordable pipeline of accommodation for the prevention and relief of homelessness. This will mean:

- Reviewing what accommodation we have access to now
- Creating our own portfolio of temporary accommodation and taking a strategic view on which areas this accommodation should be located
- Increasing the use of general needs accommodation for temporary accommodation purposes
- Securing our own emergency accommodation to reduce and ideally end the use of bed and breakfast accommodation
- Ensuring that available accommodation is allocated on need, and that the Council exercises its powers and ensures its lettings policy enables an annual reduction in the number of households in temporary accommodation.
- Proactively monitoring the financial welfare of households who are likely to be impacted by the benefit cap to prevent homelessness
- Responding to the potential demands arising from a possible Homelessness Reduction Act in 2017.

This homelessness strategy is about how the council intends to meet the local impact of this trend. This will involve considering a range of permanent and temporary housing options described later in this document to meet these needs, both in the borough and outside it.



## **Section 2 - What we say about homelessness in our Draft 2016-21 Housing Strategy (July 2016) and reviewing progress that we have made**

The Draft 2016-21 Housing Strategy sets out the following on its approach to homelessness.

### ***Homelessness Strategy***

*The council currently has in place a Homelessness Statement 2013 to 2017 which sets out our approach to preventing and reducing homelessness focused on:*

- *Homeless prevention and tackling the causes of homelessness*
- *Access to affordable housing options*
- *Children, families and young people*
- *Vulnerable adults*

*Many aspects of this document are still relevant particularly those related to partnership working and prevention but over the next 12 months we will consider what other options are available to prevent and meet homelessness demand. These will include:*

#### ***- Use of Temporary accommodation for homeless families***

*The Homelessness Strategy will also need to consider the options to reduce the number of homeless households from Tower Hamlets who are currently in temporary accommodation. At present there are around 2,000 households in temporary accommodation, of whom over 1,000 are outside the borough. Over 200 households are in bed and breakfast accommodation.*

*This form of accommodation creates uncertainty and upheaval for residents and is becoming increasingly expensive for the Council to procure, with suitable accommodation proving too expensive in borough resulting in more households being placed in outer London and beyond.*

*The Council needs to agree how best to tackle this problem with potential solutions including:*

- *developing its own temporary accommodation as set out above*
- *using existing permanent council and registered provider properties for short term homeless housing,*
- *continuing to use homes temporarily on estates that are being decanted for regeneration*
- *continue publishing under what circumstances it will place households outside of the borough*
- *buying back ex-Local Authority homes sold under the Right to Buy*

*We will update the homelessness document to reflect progress over the past 3 years and will engage fully with all partners in 2017 to develop a further 4 year action plan to continue to tackle homeless. There will be an emphasis on ensuring the most vulnerable and marginalised groups who face homelessness can continue to be assisted linking their support into their health needs, education and employment chances and overall wellbeing.*

*Progress since 2013 includes:*

- ***No wrong door Project***

*The Council's Housing Options service introduced its innovative programme – called No Wrong Door to ensure that customers can access all the services they need to help resolve their housing problems from one point of contact rather than having to navigate their way through lots of different agencies themselves.*

*The Council's Housing Options service has been transformed to offer more help to those threatened with homelessness or needing housing advice. Instead of being able to simply offer advice on housing options, staff are working closely with other agencies so as to be able to offer information on a comprehensive range of services that help with problems that often cause homelessness or housing difficulties. This includes money advice, debt counselling, landlord and tenant mediation, specialist legal advice, help in accessing education and training, help in seeking work, access to child care and our Children's Centres.*

*Our Housing Options staff can make referrals to other agencies to ensure clients get the help they need, and some support services are now operating from Albert Jacob House in Bethnal Green E2 the where Housing Options staff are based.*

**- Overview and Scrutiny Commission recommendations**

*The Overview and Scrutiny Commission held a review of the Homelessness Services and produced 17 recommendations for consideration by the Housing Options Team. These recommendations are being addressed by the service and will either be implemented at an operational level or through the revised Homelessness Statement.*

**- Hostel Commissioning Plan**

*The Council is developing a Hostel Commissioning Plan (HCP) 2016-2019 which is subject to approval by the Mayor in July 2016.*

**- Homelessness Partnership Board**

*The Council will reform its Homelessness Partnership Board drawing on the expertise of Housing Association, voluntary sector and other statutory partners such as the health services to oversee the production, delivery and monitoring of the action plan.*

**Action 11:** Refresh our Homelessness Statement and align it with the 2016-21 Housing Strategy.

**Action 12:** Reconvene the Homelessness Partnership Board

### **Section 3 – Reviewing the Homelessness Statement 2013-17**

The council currently has in place a *Homelessness Statement 2013 to 2017* which sets out our approach to preventing and reducing homelessness focused on:

- Homeless prevention and tackling the causes of homelessness
- Access to affordable housing options
- Children, families and young people
- Vulnerable adults

Many aspects of this document are still relevant particularly those related to partnership working and prevention but over the next 12 months we will consider what other options are available to prevent and meet homelessness demand. In addition this strategy will also review the Council's approach to meeting its statutory accommodation duties to homeless households as set out above.

There will be an emphasis on ensuring the most vulnerable and marginalised groups who face homelessness can continue to be assisted linking their support into their health needs, education and employment chances and overall wellbeing.

#### **Section 4 - Options to refresh the current Homelessness Statement to inform the development of the council's 2016-21 Homelessness Strategy**

The themes to the council's approach are based on those previously adopted in the Homelessness Statement adopted in 2013. In that document was set out our overall approach to meeting homelessness needs and preventing its causes in the borough.

##### **Aim**

The overall aim of the statement is to tackle and prevent homelessness in Tower Hamlets. This includes:

- Preventing homelessness
- Supporting those who are homeless or at risk of homelessness
- Providing accommodation for homeless households

An important additional tenet to the final Homelessness Strategy will be a stronger focus on:

- Reducing the net number of people in Temporary Accommodation

##### **Principles**

Throughout discussions with partners there were common ways of working highlighted as being crucial to our achievements thus far as a partnership, and would be even more important in light of the new challenges and opportunities facing the borough. These ways of working have been grouped into three interdependent principles. These principles are intended to guide how we work together as partners, and as individual organizations, to prevent homelessness and provide services for homeless people. They are based on a recognition that the causes of homelessness are complex and multifaceted and therefore need a multifaceted approach. The principles are:

- Multi-agency working
- Early intervention
- Building resilience

An additional principle for the Homelessness Strategy that is finally adopted is:

- Increased property interventions

This has been added because the council needs to diversify its temporary accommodation portfolio and reduce the general fund costs associated with the supply of temporary accommodation.

*Multi-agency working* - The Homelessness Strategy is a partnership statement: multi-agency working is therefore paramount to the implementation of the statement. Taking a multi-agency approach to service provision is about agencies working together to better understand the needs of, and achieve the best possible outcomes for, families and individuals. As a partnership this will require us to actively share and make better use of information, expertise and resources to provide seamless, holistic services for homeless people and those at risk of being homeless.

*Early Intervention* - There is a growing body of evidence at the national and local level pointing to the importance of intervening early to improve outcomes for service users and

reduce costs to services. As a partnership, we are committed to taking a proactive approach to homelessness and moving away from simply reacting to crisis, both from a preventative perspective as well as in providing support services for homeless households.

*Building resilience* - The weakening of welfare support and a continually challenging economic climate will place increasing pressures on households and the ability of services to respond to growing needs. A key aspect of our approach to homelessness needs to centre on assisting people to be better able to assist themselves and take control over their own lives.

It is a commitment by partners to support and empower people and families to develop the skills, competencies and resources needed to successfully respond to challenges, be they economic, social or personal, and avoid reaching crisis point. It therefore requires a recognition and understanding of the multi-dimensional issues that make it difficult for people to cope with life events.

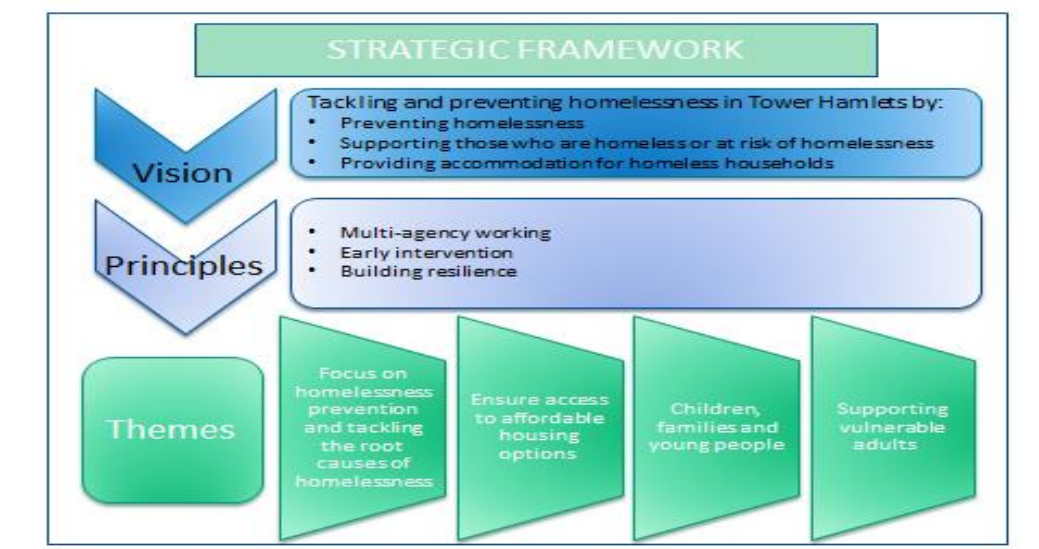
*Increased property interventions* – Means the council increasing and widening its portfolio of affordable temporary accommodation.

### Themes

Using the findings from the evidence base and consultation with agencies, four key themes or strategic objectives have been identified as the basis of structuring the new Homelessness Statement, each with its own thematic objectives:

- Focus on homeless prevention and tackling the root causes of homelessness
- Access to affordable housing options
- Children, families and young people
- Supporting vulnerable adults

In diagrammatic terms, the approach can be illustrated as follows:



## **Theme 1: Homeless Prevention and Tackling the Causes of Homelessness**

### **Objectives**

#### **Provide quality, timely and accessible information and advice focused on homeless prevention and support by:**

- Ensuring that there is clear and consistent information at all key contact points for homeless households and those at risk of being homeless.
- Improving the quality and accessibility of housing and homelessness advice services and pathways.

#### **Support people to remain in their homes by:**

- Working proactively with social and private landlords to identify and support people at risk of losing their homes and assist tenants to maintain their tenancies.
- Providing advice and support for people at risk of losing their homes.
- Providing financial inclusion and income maximization advice and support for residents, particularly those at risk of losing their homes.
- Mitigating where possible the impact of welfare reform on homeless and formerly homeless people.

#### **Address the root causes of homelessness as part of a partnership approach to tackling worklessness and exclusion by:**

- Providing employment support and pathways to employment for households at risk of homelessness and exclusion.
- Strengthening strategic commitment and joint working on homelessness prevention and exclusion.
- Making better use of information and intelligence across the partnership to tackle homelessness and exclusion.

## **Theme 2: Access to Affordable Housing Options**

### **Objectives**

#### **Increase the supply of housing across all tenures by:**

- Working in partnership with housing providers and developers, to continue to provide new affordable homes.
- Identifying potential funding opportunities to develop new council homes.
- Bringing empty properties back into use.

**Develop innovative and sustainable housing options in the private sector by:**

- Improving the accessibility of the private rented sector as a continued opportunity to prevent homelessness, recognising that caps on Housing Benefit allowances influence affordability considerations
- Ensuring that the private sector offers safe and good quality housing options
- Creating a council-owned housing company to provide accommodation including both new build homes and existing properties.

**Maximise the use of the existing social housing stock by:**

- Ensuring that the common housing register allocation scheme reflects need and availability of accommodation
- Using general needs social housing as temporary accommodation

**Ensure that there is a sufficient supply of appropriate temporary accommodation and reduce the time spent in temporary accommodation by:**

- Developing a sustainable approach to procuring temporary accommodation.
- Supporting homeless households in temporary accommodation to secure settled accommodation.
- Adopting a Hostel Commissioning Plan for 2017-20 (subject to approval by the Mayor).
- Exploring the potential of purchasing accommodation to meet emergency housing need.
- Developing a portfolio of affordable temporary accommodation.

**Theme 3: Children, Families and Young People**

**Objectives**

In order to prevent families and young people becoming homeless, and provide appropriate support packages for those who do, we will:

**Prevent homelessness among families and young people as part of an integrated approach to youth and family services by:**

- Improving joint working across agencies to focus on homelessness prevention and early intervention for families and young people.
- Improving the use of mediation and respite to address family breakdown as a cause of homelessness.

**Support homeless families and young people to be safer, healthier and emotionally and economically resilient by:**

- Providing better support services for homeless families.
- Support homeless young people to achieve their full potential and positively progress to adulthood.

**Theme 4: Vulnerable Adults**

**Objectives**

In order to provide targeted support for vulnerable homeless adults and support them to live independently, we will:

**Better identify the needs of vulnerable people through a personalised, multi-agency approach by:**

- Improving the assessment of vulnerable adults, particularly those with multiple needs.
- Ensuring that structures and processes are in place to support a multi-agency approach to assessing vulnerable adults.

**Address and reduce the support needs of vulnerable homeless people to enable them to live independently by:**

- Developing a joint commissioning approach for homeless adults with complex needs, including substance misuse and mental health
- Having no new people spending a second night on the streets for rough sleepers and reduce the number of people who are living on the streets.
- Providing emergency accommodation to no priority need homeless clients for the purposes of preventing or reducing rough sleeping
- Improving move-on options for people in hostel accommodation and independent living skills of homeless people.
- Ensuring victims of Domestic Violence are supported and their housing needs are met.
- Supporting sex workers in their transition to a safe exit.
- Supporting ex-offenders to keep their homes or find suitable accommodation on return from prison.

---

October 2016



## **2016-21 - Private Sector Housing Strategy Outline**

### **Index**

**Section 1 – Reasons for a Private Sector Housing Strategy**

**Section 2 – Context**

**Section 3 – The council’s role**

**Section 4 – Issues to be addressed**

**Section 4.1 - Landlord Licensing Schemes**

**Section 4.2 - Housing Conditions: Investigation and Enforcement**

**Section 4.3 - Letting and Managing Agents: Enforcement**

**Section 4.4 - Housing conditions and affordability: engagement and support for landlords**

**Section 4.5 - Promoting the rights of private tenants**

**Section 4.6 - Housing Conditions: Private Sector Housing Renewal Policy**

**Section 4.7 - Empty Homes**

**Section 4.8 - The Right to Manage**

**Section 4.9 - Institutional Private Sector Landlords**

**Section 4.10 - Improving Joint Working**

## Section 1 – Reasons for a Private Sector Housing Strategy

The private rented sector is now the largest segment of the local housing market, making up 39% of the housing stock in Tower Hamlets. And it is still growing. While private renting works well for some, not least as a short-term option, it is increasingly the *only* option for people who want to rent a home in the social sector - or to buy a home, but can't save for a deposit because private rents are so high. Part of the housing strategy is about creating more choice for such households, but we also need to ensure that the standards of accommodation for people in private rented housing are good – not only by weeding out the bad landlords and agents who give the sector a poor reputation, but also by working to professionalise “amateur”, “accidental”, and small landlords, supporting them to provide decent, well-managed homes to their tenants. Whilst many private rented homes in Tower Hamlets are in good condition and well-managed – particularly in the generally expensive new-build blocks – too many are not.

The private rented sector has become unaffordable for many Tower Hamlets residents. Median rents have increased by a quarter in the last five years. Nearly half of all households in Tower Hamlets have a monthly income less than £2,500; median rents for a two bedroom flat are £1820 a month. For the most economically disadvantaged, the situation is even starker: from October 2016 the total income - including for housing costs - allowed to a workless family with children will amount to less than the median rent of a two bedroom flat in the borough.

The private rented sector can be insecure as well as expensive – tenants typically have just six month tenancy agreements. And there are still landlords and agents who do not respect the rights their tenants have, and tenants who do not understand or cannot enforce those rights.

Around 15,000 ex-council homes were bought under the right to buy. An estimated 6,000 of these are now being let, usually as Houses in Multiple Occupation, by private landlords. In some instances this has led to serious overcrowding and anti-social behaviour such as noise nuisance fly-tipping, and drug-related criminal behaviour on estates owned by the council and its housing association partners. We will work jointly with our partners to tackle these issues.

Many reasons lead to the scandal of empty buildings during a housing crisis - from “buy to leave” investment through to bankruptcy and inheritance. Some buildings have been neglected for years and have a damaging impact on their local area; and there are over a thousand “second homes” in the borough. Alongside this, the Council has concerns about the increasing impact of Airbnb-style short-term lettings on the availability of homes.

There are many vulnerable owner occupiers and tenants in the borough living in poor housing conditions. Many disabled people need help adapting their home in order to live more independent, safe and healthy lives. The Council's Private Sector Housing Renewal Policy 2016 – 2018 makes available a mix of grants and loans to owner-occupiers, tenants and landlords, and we will build on this to improve partnership working over the next five years.

We need to work in a more joined-up way on private housing, both internally and with community partners. The Private Housing Strategy puts in place structures, protocols, forums, partnerships, and relationships that will enable that to happen.

The purpose of this document is to set out in more detail what options are being considered to raise the standard and accessibility of private housing in the borough.

## Section 2 - Context

- The 2011 census shows that Tower Hamlets had 67,209 homes in the private sector; 41,670 (62%) of these were in the private rented sector.
- Private rented is now the largest tenure in the borough with 39% of the housing stock. The London average is 25%.
- Lower quartile rents in the borough are £365 per week for a two bedroom and £462 for a three bedroom flat. The weekly Local Housing Allowance rate for a family needing two bedrooms is £302.33, and for three bedrooms it is £354.46.
- The median rent for a room in a Tower Hamlets shared flat or House in Multiple Occupation is £147 per week. Single people under 35 have a weekly Local Housing Allowance of £102.99.
- Median rents have increased by around a quarter in the last five years, to £1430 pcm (£330 pw) for one bedroom and £1750 pcm (£403.85 pw) for two bedroom flats.
- As of 2013, very nearly half of all households in Tower Hamlets have an annual income less than £30,000.
- From autumn 2016 a workless family with children will receive benefits of no more than £384.62 per week to cover rent and living expenses.
- In spite of market conditions, the Council's Housing Options and Assessment service were able to incentivise private landlords to let to 30 low-income households facing homelessness in 2015-16.
- 19,783 households are waiting for affordable housing on the housing register – all are either homeless or in unsuitable housing.
- 4,595 properties in Tower Hamlets have been empty for more than a year. Of these 2,963 are residential properties; 1,632 are commercial.
- Around 16% of private properties are over-crowded; 39% are under-occupied.
- Approximately half the leasehold stock sold under right to buy is now privately rented.
- Approximately 37% of the private stock was built after 1990.
- 19% of the borough's stock failed the decent homes standard in 2011 compared with 35.8% nationally
- Approximately 350 Houses in Multiple Occupation (HMOs) are licensable under current statute.
- 30% of all category one hazards are in HMOs.

### Section 3 - The Council's Role

The Council's functions in relation to private sector housing are carried out by a number of different sections who cover enforcement, grant processing, procurement of temporary accommodation and housing advice.

The Council will work corporately to develop a coherent private sector housing strategy that guides all the work taking place across the Council in relation to private housing across all sectors:

<b>Tenure</b>	<b>Intervention</b>	<b>Section</b>
Private ownership and unoccupied	Empty Homes	4.7
Private owner-occupied including on leasehold	Housing Conditions: Investigation and Enforcement	4.2
	Housing Conditions: Home Improvement Grants	4.6
	The Right To Manage	4.8
Privately owned and let: Private rented sector	Housing Conditions: Landlord Licensing Schemes	4.1
	Housing Conditions: Investigation and Enforcement	4.2
	Housing conditions and affordability: engagement and support for landlords	4.4
	Letting and Managing Agents: Enforcement	4.3
	Promoting the rights of private tenants	4.5
	Housing Conditions: Home Improvement Grants	4.6
	The Right To Manage	4.8
	Institutional Private Sector Landlords	4.9

## **Section 4 – Issues to be addressed**

### **4.1 Landlord Licensing Schemes**

The Council wants to use landlord licensing to tackle anti-social behaviour associated with private renting, deal with poor housing standards and assist in improving the overall management of private rented accommodation.

Alongside investing and enforcing health and safety standards in private sector housing (see below, 4.2), the Council's **Environmental Health and Trading Standards service** manages landlord licensing.

#### **4.1.1 Selective Licensing**

The Housing Act 2004 as amended by a 2015 Statutory Instrument gives Councils the power – subject to appropriate local consultation - to introduce a selective requirement for landlord licensing in areas with a high proportion of properties in the private rented sector, provided that the area covers no more than 20% of housing stock in a housing authority area.

Following successful consultation, the Council is introducing selective licensing from 1 October 2016 for all private landlords in the following areas:

- Spitalfields and Banglatown
- Weavers
- Whitechapel

The selective licensing scheme will require all private landlords in these areas to apply for a license. The application will be assessed by an environmental health officer, and the landlord's property may be visited and assessed. The licence holder and property manager will need to meet the 'fit and proper' person requirement. If a licence is issued its conditions must be followed. These relate to gas, fire and electrical safety, and proper management.

The current selective licensing scheme ends on 1st October 2021.

#### **4.1.2 Mandatory Licensing**

The Housing Act 2004 requires all landlords of larger Houses in Multiple Occupation (HMOs) to be licensed by the Local Authority. Mandatory licensing applies to HMOs that comprise three or more storeys with five or more occupants forming two or more households.

Mandatory conditions apply to these licences. These relate to gas, fire and electrical safety, and proper management.

250 HMOs in Tower Hamlets have been licensed under mandatory requirements. Between 50 and 100 HMOs are required to have a licence but do not.

CLG has consulted and is now considering whether to extend the scope of mandatory licensing, either to HMOs with two storeys or to all HMOs containing five or more people.

#### **4.1.3 Additional Licensing**

Many HMOs in the borough do not fall under the current provisions of the mandatory licensing scheme. These include a significant proportion of former Council stock sold under Right to Buy and now let by the room to multiple families and to young people. With a lack

of affordable homes, the impact of welfare reform, and increasing private sector rents, it is likely that many households will adopt this tenure in order to remain in Tower Hamlets.

The Housing Act 2004 allows Local Authorities to impose additional licensing on HMOs beyond the mandatory regime where the Local Authority believes that a significant proportion of HMOs are poorly managed and giving rise to problems for residents or the general public.

The use of additional licensing must be consistent with the Local Authority's housing strategy and should be co-ordinated with the authority's approach on homelessness, empty properties and antisocial behaviour.

The Act requires that any such scheme is approved by the Secretary of State: however, a general approval was issued in 2010, provided there is a minimum 10-week consultation period.

#### 4.1.4 Sanctions and Powers

Licensing will improve the Council's ability to engage with private landlords, and to drive up standards in the sector without the need to take enforcement action.

However, where a landlord obliged to have a license under any of these schemes either does not have a licence or does not comply with its requirements, the Council has powers to impose sanctions:

- A failure to licence a licensable property is an offence, and can result in an unlimited fine
- A breach of licensing conditions is also an offence, and can result in a fine of up to £5,000
- Where a magistrate imposes sanctions, the fine can be unlimited
- Rent Repayment Orders require unlicensed landlords to repay up to 12 months' rent – in the case of rent paid through universal credit or housing benefit, this would be returned to the council. Detail on this is given below, at 4.2.2.

Unlicensed landlords who are required to have a licence lose the right to serve notice on tenants requiring possession under section 21 of the Housing Act 1988 until the property is licensed.

There is also potential for additional action against rogue landlords who avoid **council tax**, for example by fraudulently transferring liability to HMO tenants. The Council Tax (Liability for Owners) Regulations 1992, provides that the owner of an HMO is liable to pay council tax rather than the occupiers, for any dwelling which was originally constructed or converted for occupation by people constituting more than one household – or is occupied by two or more people each of whom is a tenant or has a licence to occupy.

The Environmental Health and Trading Standards service is currently unable to access the council tax and housing benefit data it requires to identify HMOs and unlicensed landlords.

#### **4.1.5 LANDLORD LICENSING SCHEMES: ACTIONS**

- Develop plans to provide additional resources on a cost-neutral basis in order to enforce Rent Repayment Orders, Banning Orders, Council Tax compliance, and licensing
- Keep the selective licensing scheme under comprehensive review and provide a full evaluation ahead of 2021.
- Develop an incentive package to engage licensed landlords and agents to help them manage their properties more effectively. This might include e-bulletins, information and training sessions, energy efficiency schemes or a local landlords' forum and customer panel.
- Apply for an extension to the selective licensing scheme from October 2021 in either its initial or amended form.
- After the CLG reach a decision on whether to extend the scope of mandatory HMO licensing, the Council will consider introducing an additional licensing scheme for Houses in Multiple Occupation either across the borough or in specified areas; and to apply this either to all HMOs or to certain types of HMO.
- Ensure that Council Tax and Housing Benefit data is readily available to the Environmental Health and Trading Standards service in order to facilitate the identification of landlords and HMOs
- Carry out a stock condition survey of the private rented sector in order to better inform Council decisions and actions on improving the sector
- Obtain data from East End Homes, Tower Hamlets Homes and Poplar Harca on leasehold properties; and on which of these are rented privately.
- Require landlords who breach licensing conditions to attend The London Landlord Accreditation Scheme
- Develop regional and sub-regional partnerships on licensing, including in relation to enforcement

#### **4.2 Housing Conditions: Investigation and Enforcement**

Alongside licensing schemes, the Council has a range of existing and new powers with which to tackle rogue landlords and enforce acceptable standards in the private rented sector. Making full use of these powers will have resource implications, especially during the first year. Over the medium and longer term, the financial penalties the Council can now levy on rogue landlords will allow additional enforcement to be cost-neutral.

#### **4.2.1 Disrepair and poor housing conditions**

The Council has a duty to keep the housing conditions in its area under review in order to identify and remedy conditions that are a health hazard or a statutory nuisance.

This duty is discharged by the Council's **Environmental Health and Trading Standards service** through inspection, enforcement, regulation, advice, and education. These service works across areas including pest control, the enforcement of legislation dealing with accumulations of rubbish and other statutory nuisances, noise nuisance enforcement and control, as well as housing safety and standards enforcement.

The Housing Act 2004 introduced the **Housing Health and Safety Rating System (HHSRS)**, a risk assessment and methodology for Environmental Health Officers inspecting and assessing housing conditions. The principle of HHSRS is that any residential premises should provide a safe and healthy environment for any potential occupier or visitor.

Where Category 1 hazards exist the council is obliged to take action to ensure elimination of that hazard.

There are several enforcement options available where hazards are identified. In the first instance, in most cases the appropriate response is to give advice and inform. The Enforcement Officer takes formal action against landlords who deliberately operate outside the law. The Council charges a fee of £474 for each notice served.

The Housing and Planning Act 2016 has introduced new powers to apply for a **Rent Repayment Order** where a landlord has failed to comply with improvement notices or prohibition orders issued under the Housing Act 2004.

The **Deregulation Act 2015** aims to end the phenomenon of landlords carrying out "revenge evictions" where tenants complain about poor conditions – but only if the Council serves notice in relation to a category 1 or 2 hazard. This may increase the number of requests made to the Council to inspect premises using the HHSRS, further increasing demands on very limited resources.

**The Environmental Protection Act 1990** imposes a duty on every local authority to inspect its area for statutory nuisances, to investigate complaints of statutory nuisance, and to take action where statutory nuisance exists or is likely to occur. Statutory nuisance is defined as occurring where "any premises in such a state as to be prejudicial to health or a nuisance".

Where the Council identifies statutory nuisance, the first formal step is an abatement notice giving a clear timescale within which the nuisance must be remedied. The Council can prosecute for contravention or non-compliance with the notice, or can carry out 'works in default' with costs recoverable from the person served with the abatement notice

**The Defective Premises Act 1972** imposes a duty of care to see that people are reasonably safe from injury or damage to their property resulting from defects.

**The Prevention of Damage by Pests Act 1949** gives the Council a duty to try and keep the area free from rats and mice. The Council can serve notice on owners and occupiers specifying treatment and/or works. Under the Act, the Council has the power to enter premises to inspect or enforce notices, including the carrying out of treatment or works.



#### 4.2.2 Rogue landlords and rogue agents

A minority of landlords and agents deliberately profit from leaving tenants to live in rundown, unsafe, or overcrowded properties, or intimidate and threaten tenants. The Council is committed to tackling these rogue and criminal landlords.

**The Proceeds of Crime Act 2002** gives powers to seek confiscation orders against convicted individuals requiring payment to the state based upon the benefit obtained from their crimes. Successful actions resulting in very significant financial penalties have been taken by other Councils for poor conditions, planning breaches, and failure to comply with improvement notices.

**Rogue landlords, tax and mortgages:** The conditions of many mortgages do not grant mortgagees the permission they need to let their property. Rogue landlords may be letting in breach of their mortgage conditions – which could lead to repossession. Rogue landlords and agents may also withhold information about rental income from HMRC.

**Protection from Eviction Act 1977:** The Council can prosecute criminal offences of harassment and illegal eviction. **The Local Government Act 1972** also empowers authorities to prosecute where landlords or agents have used violence to enter premises or committed harassment. Conviction can lead to an unlimited fine and two years in prison. However, prosecutions are rare as they are complex and may not be in the Public Interest.

**Criminal Law Act 1977:** It is an offence for any person, including a landlord or agent, to use violence or the threat of violence to enter premises. A landlord or agent may be a trespasser on their own property where they have not followed correct legal procedures before entering: on this basis, a tenant who has been unlawfully evicted is a “displaced residential occupier” and is authorised under the Act to force entry back into the property.

The Council’s Housing Advice Team helps re-instate tenants when they have been unlawfully evicted by applying to Court for an injunction and/or giving financial assistance to the client to pursue their right of re-entry as a lawful occupier.

**Protection from Harassment Act 1997:** the Act generally prohibits a person from “pursuing a course of conduct which amounts to harassment of another; and which s/he knows or ought to know amounts to harassment”. The Act creates an arrestable offence of harassment, and it is open to tenants to pursue compensation claims.

**Restoration of Utilities:** If the landlord is responsible for the supply of gas, electricity or water and causes it to be cut off, the Council can arrange reconnection with the suppliers with costs recoverable from the landlords.

**Injunctions:** An injunction is an order of a civil court directing somebody to do, or not to do, something. The court must be satisfied that the “balance of convenience” is in favour of granting an injunction, and breach of an injunction is an arrestable offence. The Housing Advice service assists in the application for injunctions.

**Compensation:** The Council’s Housing Advice service refers clients to community partners to pursue claims for compensation against criminal and rogue landlords.

**The Housing and Planning Act 2016** introduces a raft of new powers to take action against rogue landlords and rogue agents:

Tenants or local authorities can apply for a **Rent Repayment Order (RRO)** where a landlord has committed offences such as unlawful eviction, harassment, failure to comply with improvement notice, or failure to license where it is required. If successful the tenant (or the authority if the tenant was receiving housing benefit or universal credit) may be repaid up to 12 months' rent. The Secretary of State will make regulations as to how the money recovered will be spent. The Act puts local authorities under a *duty* to consider applying for rent repayment orders where a person has been convicted of an offence. The Act also gives local authorities the power to help tenants apply for rent repayment orders.

Though there are clear resource implications in enforcing RROs, these are likely to be offset by potential revenue gains from successful enforcement. Alongside resources, the Council needs to delegate clear responsibility for these applications.

The Act creates a new '**banning order**' concept enabling a First-tier Tribunal to ban a landlord or agent for a minimum period of 12 months from letting or managing accommodation. The banning order can be requested by a Local Authority against a landlord or agent who has committed a banning order offence. The scope of what constitutes such an offence will be defined in regulations. The local housing authority can impose a financial penalty of up to £30,000 for breach of a banning order. The Secretary of State may by regulations make provision about how local housing authorities are to deal with financial penalties recovered.

**Database of rogue landlords and rogue agents:** The Act sets out that the Government will operate a database of 'rogue' landlords and letting agents. Councils will be responsible for updating the database when banning order offences have been committed and when banning orders are issued, and can use it to help exercise their functions.

#### **4.2.3 INVESTIGATION AND ENFORCEMENT: ACTIONS**

- Provide additional resources to the Environmental Health and Trading Standards service, including legal resources – aiming over time at a cost-neutral budget - to allow for applications for Rent Repayment Orders, Banning Orders, Proceeds of Crime confiscation orders, and Council Tax compliance
- Allocate clear responsibility for Rent Repayment Order applications.
- Work closely with HMRC and mortgage providers when taking action against rogue landlords and agents.
- Develop closer partnership working with the Police to tackle harassment and unlawful eviction
- Conclude a procedure with legal services for bringing more prosecutions against rogue and criminal landlords and agents
- Coordinate prosecutions and other enforcement work undertaken by and on behalf of the Housing Options and Advice service and The Environmental Health and Trading Standards service
- Publicise actions against rogue and criminal landlords and agents in local media, on the Council's website and in partnership with regional and sub-regional partners.

- Develop formal partnerships and strategies with Registered Providers to address antisocial behaviour and poor conditions on estates associated with right-to-buy landlords.

### **4.3 Letting and Managing Agents: Enforcement**

**The Environmental Health and Trading Standards service** carries out work to regulate letting and managing agents.

#### **4.3.1 Redress Schemes and Complaints against managing agents**

Since October 2014 all letting or property management agencies must belong to a consumer redress scheme. Agencies must display and publicise the name of the scheme they belong to. Information about the redress scheme should also be provided to new tenants. The Council is under a duty to enforce these requirements on the agencies in its area and can impose a fine of up to £5,000 for non-compliance. Sums received by an enforcement authority may be used by the authority for any of its functions.

#### **4.3.2 Agency Fees**

The **Consumer Rights Act 2015** requires both letting agents and managing agents to display a list of relevant fees in a prominent position in their office and on their website if they have one. Local authority trading standards officers in the area where the agent's properties are located must enforce the Act. The Council can at its own discretion impose financial penalties of up to £5,000 for non-compliance

#### **4.3.3 LETTING AND MANAGING AGENTS: ACTIONS**

- Advertise to the public and to agents the requirements for agencies to publicise fees and belong to a redress scheme. Publicity could include the Council website, pieces and adverts in Our East End, posters in public spaces, Ideas Stores, and Council offices, and engagement of community partners.
- Conduct a programme of publicised “spot checks” on agents.
- Set up and publicise clear and simple processes for the public to report non-compliant agents. These could include a web portal, email, SMS, and hotline.
- Provide free or low-cost legal advice to private landlords wanting to end onerous contracts with rogue agents in order to incentivise letting to Housing Options clients.

### **4.4 Housing conditions and affordability: engagement and support for landlords**

As a means of improving the quality of private rented housing across the borough, the Council wishes to improve the quality and professionalism of private landlords. The Council also wishes to increase the supply of affordable privately rented accommodation for the borough’s low and middle income residents.

#### **4.4.1 Landlord Accreditation**

The Council is committed to supporting the **London Landlord Accreditation Scheme (LLAS)**. LLAS awards accreditation to reputable landlords who undergo training and comply with a code of conduct. It was set up in 2004 as a partnership of landlord organisations, educational organisations and 33 London boroughs.

Accreditation is a condition of access to **Empty Property Grants** (see below, 4.7.4).

#### **4.4.2 Private landlords and homelessness prevention**

The Housing Options and Assessment service works with private landlords who agree to let to their homeless prevention clients at Local Housing Allowance rates in return for a package of benefits. This allows the Council to facilitate access to the private rented sector for residents who are reliant on benefits or low incomes.

In spite of market conditions, the Housing Options and Assessment service were able to incentivize private landlords to let to 30 low-income households facing homelessness in 2015-16.

In return for - and as a condition of – partnership, the Housing Options and Assessment service pay for landlords to gain LLAS accreditation.

The Council has a financial incentive scheme operating through Tower Hamlets Homefinder to reward landlords letting to their clients for at least two years.

Landlords' Improvement Grants are available to a maximum of £6000 per applicant to landlords who let property to tenants referred to them by the Council. See below, 4.6.3, for detail.

#### **4.4.3 ENGAGEMENT AND SUPPORT FOR LANDLORDS AND AGENTS: ACTIONS**

- Develop an enhanced offer to landlords and property owners in order that more will let to low-income residents nominated by the Council. In particular:
  - Reinstate the landlords' forum
  - Provide landlords with e-bulletins, information and training sessions, energy efficiency schemes and customer panel.
  - Incentivise landlords to join the The London Landlord Accreditation Scheme by developing a wider accreditation condition for access to other council services, benefits and grants for landlords
  - Provide a priority Housing Benefit service to accredited landlords
  - Require landlords who breach licensing conditions to attend The London Landlord Accreditation Scheme

#### **4.5 Promoting the rights of private tenants**

In a fast-changing regulatory and legislative context, the Council should take steps to improve private tenants' understanding of their rights and empower tenants to improve conditions in their own homes.

#### 4.5.1 Housing Options and Assessment Service

The private housing advice service, accredited by the Legal Services Commission, offers a free, confidential and independent service to people who live in private sector accommodation in Tower Hamlets. The Housing Advice team deal with issues including rent arrears, disrepair, deposits, and threats of illegal eviction. In addition, the team's The Money Advisers can help to look at the best way to manage debt or direct customers to a partner organisation to assist.

#### 4.5.2 Key legislative change affecting private tenants

**The 'Right to Rent':** The Immigration Act 2014 introduced the concept of a 'right to rent' and therefore the concept that certain people have no right to rent a home.

Landlords and lettings agents are under a duty to check whether their tenants and prospective tenants have the 'right to rent'.

Currently, only British citizens, EEA nationals, Commonwealth Citizens with right of abode, and people with indefinite leave to remain have an unlimited right to rent.

Certain people have a time-limited right to rent. Where an existing occupier's time-limited right to rent expires, the landlord must report this to the Home Office.

People with no valid leave to enter or remain in the UK – including people whose leave has expired – have no right to rent.

Failure to conduct the often complex checks on immigration status, to report to the Home Office the expiration of an occupier's limited right to rent, or to provide accommodation to a person with no "right to rent" can all lead to a fine of £1,000 per tenant and £80 per lodger, rising respectively to £3,000 and £500 for repeated non-compliance.

There are widespread fears and emerging evidence that some landlords and agents avoid the complexities of checking immigration papers by turning away prospective tenants who they believe may not be British citizens.

**The Equality Act 2010** imposes a duty on people when letting or managing premises not to unlawfully discriminate against people on the basis of race, religion or belief. A landlord or agent who refuses to let premises to, or check only individuals they think might not be British or EEA nationals, or not having a right to rent because of their colour, ethnic or national origins will unlawfully discriminate.

The government has published codes of practice to provide statutory guidance to landlords and agents on how to operate non-discriminatory lawful checks.

#### **Recent changes have extended tenants' rights in the following areas:**

**Retaliatory evictions:** Where a tenancy has been granted after 1 October 2015, the Deregulation Act 2015 states that a landlord cannot serve notice under section 21 – the notice allowing landlords to carry out simple "no fault" evictions – if that notice is served following a written complaint from the tenant about the condition of the property *and/or* the local authority serves either an improvement notice in relation to a hazard.

**Deposit protection:** Deposit protection schemes effectively ensure that landlords cannot unfairly retain tenants' deposits at the end of the tenancy. A landlord must protect their tenant's deposit. Landlords who do not do this are liable to a claim from the tenant for full and immediate return of the deposit plus a penalty, payable to the tenant, of between one and three times the deposit's value. In addition, those landlords cannot use the section 21 notice possession procedure to evict the tenant.

#### **4.5.3 PROMOTING THE RIGHTS OF PRIVATE TENANTS: ACTIONS**

- Develop a Tower Hamlets Private Tenants' Charter
- Work with community partners and programme a regular publicity campaign to promote awareness of private tenants' rights - including on the Council website, in Our East End, and through posters in public spaces, Ideas Stores, and Council offices.
- Publish and publicise expectations of how landlords should carry out the 'Right to Rent' checks consistently and fairly to avoid discrimination.
- Engage private tenants including through forums
- Provide tenancy training to homeless households moving into the private rented sector

#### **4.6 Housing Conditions: Private Sector Housing Renewal Policy**

The Council has a duty under the Housing Act 2004 to review housing conditions in the borough. Where housing conditions are found to require improvement, assistance can be provided under the terms of Article 3 of the Regulatory Reform (Housing Assistance) Order 2002; however a local authority is also required to have adopted a Private Sector Renewal Policy. **The Private Sector Housing Renewal Policy 2016 – 2018** forms a subset of this document.

The Council's Private Sector Housing Renewal Policy 2016 – 2018 is attached to this document and sets out the Council's position on direct grant funding to owner occupiers and private sector landlords and tenants.

##### **4.6.1 Disabled Facilities Grants and the Better Care Fund**

See 5.1, Private Sector Housing Renewal Policy 2016 – 2018.

Disabled Facilities Grant is now contained within the Better Care Fund (BCF).

##### **4.6.2 Home Repair Grants - owner-occupiers**

See 4.2 Home Repair Grants, Private Sector Housing Renewal Policy 2016 - 2018

##### **4.6.3 Landlords' Improvement Grants**

Landlords' Improvement Grants are available to remove minor hazards from the property. The grants are limited to a maximum of £6000 per applicant in any five year period.

Landlords' Improvement Grants will only normally be available to landlords who let property to tenants referred to them by the Council.

#### **4.6.4 Tower Hamlets Home Improvement Agency**

See 5.4, Other Assistance, Private Sector Housing Renewal Policy 2016 - 2018

#### **4.6.6 PRIVATE SECTOR HOUSING RENEWAL POLICY: ACTIONS**

- Refresh the Council's private sector housing renewal policy to set out the approach, including to partnership working and the Better Care Fund, over the 2016-21 years.

### **4.7 Empty Homes**

#### **4.7.1 Identifying Empty Homes**

As of May 2016, **4,595** properties in Tower Hamlets have been empty for more than a year. Of these **2,963** are residential properties; **1,632** are commercial.

69.8% of the empty residential properties have been empty for more than two years. 39% have been empty for more than five years.

The Council identifies empty homes through council tax and Land Registry records and by facilitating reports from the public, property owners and developers.

A complex range of reasons lead to buildings being left empty. Many are in a neglected state and have a damaging impact on their local area. At the other end of the spectrum, Council Tax records show that nearly half are second homes (1,264 of the 2,963 empty homes).

#### **4.7.2 'Buy to Leave'**

There are increasing public and political concerns about "Buy to Leave" properties: properties bought by international investors in order to maximise their return on capital growth and then left empty. It is typically associated with buying off-plan in large developments, with significant representation of overseas investors.

Anecdotal reports suggest that a high proportion of these properties are kept empty, though currently in Tower Hamlets quantitative evidence is lacking.

The GLA's November 2015 economic analysis of London's housing market suggests that international investment is responsible for only a small share of transactions and is likely to have had only modest effects on house prices; on the other hand, it is a phenomenon concentrated in small areas, and international buyers as a proportion of sales in prime central London and Canary Wharf have increased from 23 per cent in 2005 to 40 per cent in 2014.

#### 4.7.3 Short term holiday lettings

London had 23,000 Airbnb listings in 2015: after Paris and New York, the highest in the world. Cities across including New York, Amsterdam, Paris, and Berlin - have taken steps to regulate the market on the basis that it diminishes housing stock, disrupts social cohesion, and strains relationships between landlords and tenants. The Council has no data on the extent of the market in Tower Hamlets, or on whether it has a negative impact on local housing supply or communities.

Under the Greater London Council (General Powers) Act 1973, short-term rentals are subject to a planning restriction making the use of residential premises as temporary sleeping accommodation a “material change of use” for which planning permission is required. The Deregulation Act 2015 introduced an exception to this restriction allowing residential premises to be used for temporary sleeping accommodation for up to 90 nights a year. Owners of properties used for more than 90 days can be fined up to £20,000.

#### 4.7.4 Engagement with owners of empty homes

The Private Housing Investment Team records empty properties on the Empty Homes database and manages casework through the database.

The Private Housing Investment Team contacts owners of empty property to broker the reuse or conversion of empty properties. In many cases this initial dialogue is enough to confirm the owner’s plans for the property, and to encourage those plans to be concluded in a timely manner. The owner is offered information and assistance including:

- **Reduced or zero rate VAT**
- **Empty Property Grants:** See 4.3 Empty Property Grants, Private Sector Housing Renewal Policy 2016 - 2018

#### 4.7.5 Enforcement action against owners of empty homes

Where the Council remains unsatisfied that the property will be returned to use as efficiently as possible, consideration is given to enforcement options.

Where there is a public nuisance, or a recurring or potential statutory nuisance, the Council has a duty to issue an Abatement Notice under s80 of **the Environmental Protection Act 1990**. Responsibility for this action rests with the Environmental Health Team. An Abatement Notice requires the owner to carry out specified works and take any steps necessary to abate the nuisance within specified time limits. The Council can prosecute where an abatement notice has not been complied with, or can carry out works in default and recover costs from the owner.

Where an empty building is dangerous or dilapidated, verminous or unsecured, **the Building Act 1984** gives the Council powers to require the owner to make the property safe or to address the external appearance of the building, or to take emergency action to make the building safe.

**Section 215 of the Town & Country Planning Act 1990** provides a local planning authority with the power to take steps requiring land to be cleaned up when it is adversely affecting the amenity of an area. The Council can serve a notice on the owner requiring that the situation be remedied. The Council can commence prosecution proceedings for non-compliance with any Section 215 notice, resulting in a fine not exceeding £1,000. Additionally, or in the alternative, the Council can carry out works in default and seek recovery of costs from the landowner.



The Council has the power to enforce a **Compulsory Purchase Order (CPO)** on a vacant residential property under the Housing Act 1985. The powers do not cover commercial properties. However, this is a power that can only be used as a last resort. The Council must demonstrate that it has taken all steps to encourage the owner to bring the property back into acceptable use, and that the reasons for making a CPO justify interfering with the human rights of anyone with an interest in the property.

A full valuation, a financial appraisal, and risk assessment are carried out wherever CPO is considered. Cabinet approval is needed to initiate formal compulsory purchase of a property. There is currently no budget for Compulsory Purchase Orders

Chapter 2 of the Housing Act 2004 enables the Council to take possession of an empty property and then place tenants in it through an **Empty Dwelling Management Order (EDMO)**.

The threat of an EDMO is intended to put pressure on the owner to enter into constructive dialogue. The first stage in the process is application to a Residential Property Tribunal for an interim order. The tribunal must be satisfied that the property has been empty for at least two years, as well as being vandalised or actively used for "antisocial" purposes, and that there is local support for the use of an EDMO. An EDMO cannot be granted if the owner proves the properties are in the process of being sold.

Once an interim EDMO has been granted, it lasts for up to twelve months, during which the authority works with the owner to try and agree a way to put the property back into use. If no agreement is reached during this time, the authority may make a final EDMO, which lasts for up to seven years. A final EDMO differs from an interim EDMO in that the authority is not required to obtain the owner's consent before finding a tenant for the property.

When a tenant has been found under the EDMO, the rent is paid to the local authority, which is able to recover any costs they may have incurred by taking possession of the property and making it habitable. Any money over and above these costs is to be paid to the owner of the property.

A full valuation, a financial appraisal, and risk assessment are carried out wherever an EDMO is considered, and Cabinet approval is needed to apply to a Residential Property Tribunal for an EDMO. There is currently no budget for EDMOs.

#### **4.7.6 The New Homes Bonus**

The New Homes Bonus was introduced in order to provide a clear incentive to local authorities to encourage housing growth in their areas. The Bonus rewards local authorities for each additional new build and conversion. Long-term empty properties brought back into use are also. Each year's grant is paid for 6 years. The Bonus is not ring-fenced.

#### **4.7.7 EMPTY HOMES: ACTIONS**

- Put in place clear casework procedures, targets and timescales aimed at reducing the number of empty properties in Tower Hamlets
- Develop an evidence base on "Buy to Leave" properties including through the use of Council Tax and electoral roll data. Against this, assess the viability and desirability of responses including Planning Obligations under Section 106 of the Town and Country Planning Act 1990, and revising Council Tax rates for empty homes.

- Explore the viability of working with a social enterprise in clearly defined circumstances to facilitate the letting of empty private sector properties on a short-term basis to property guardians.
- Gather data and evaluate the impact of short-term rentals.
- Publicise and enforce existing legislation on Airbnb lettings made for more than 90 nights a year.
- Develop a budget to fund Compulsory Purchase Orders and Empty Dwelling Management Orders from 2017/18, potentially working with Registered Providers to fund this work, and incorporating revenues from the New Homes Bonus

#### **4.8.1 The Right To Manage**

##### **4.8.1 Private and Housing Association Leaseholders' Right to Manage**

The Commonhold and Leasehold Reform Act 2002 provides a right for leaseholders to force the transfer of the landlord's management functions to a special company set up by them – the Right to Manage company. The right was introduced not just as a means of wresting control from bad landlords, but also to empower leaseholders to take responsibility for the management of their block.

The right to manage does not apply where the landlord of any qualifying tenant is a local housing authority: council leaseholders' rights are set out below, 3.8.2.

Leaseholders of a housing association have the right to manage as long as all the other qualifying conditions can be met. This also applies where shared ownership leaseholders have acquired a 100% share from the housing association.

Private leaseholders' right to manage is only applicable if tenants with a lease of 21 years or more comprise at least two-thirds of the total number of flats in the premises. The right to manage is not applicable if different people own the freehold to different parts of the building, there is a resident landlord.

The landlord's consent is not required, nor is any order of court. However, either the landlord or another leaseholder may object by serving a counter-notice: but the right to manage application will be defeated only if a qualifying condition is not met.

##### **4.8.2 Council Leaseholders' Right to Manage**

Local authority leaseholders have a collective right to take on the management of the council housing where they live since 1994. Right to Manage Regulations provided for by s27 Housing Act 1985 were introduced in 1994 and revised in 2008 and 2012.

This Right to Manage is exercised by forming a Tenant Management Organisation (TMO) in order to take over housing management services such as repairs, caretaking, and rent collection. Four TMOs manage 880 homes in the borough on behalf of the Council. The Council has a duty to facilitate the exercise of the Right to Manage by their tenants.

#### **4.8.3 THE RIGHT TO MANAGE: ACTIONS**

- Provide more targeted advice to leaseholders on the right to manage

#### **4.9 Institutional Private Sector Landlords**

The Council supports the emergence of institutional investment and management into the private rental sector, through converted stock and in particular through the development of purpose-built private-rental stock.

The Council will actively explore new partnerships and delivery models to develop high quality market rent housing, especially where it gives opportunities for renting at below median market rent levels.

#### **4.9.1 INSTITUTIONAL PRIVATE SECTOR LANDLORDS: ACTIONS**

- Actively explore new partnerships and delivery models to develop new, high quality market rent housing, especially where it gives opportunities for renting at below median market rent levels.
- Consider instituting a separate use category for “Build to Rent” developments
- Encourage Build to Rent schemes that are accessible and attractive to residents and the wider community

#### **4.10 IMPROVING JOINT WORKING: ACTIONS**

- Develop a biannual PRS forum, internal joint-working, and information-sharing protocols between Trading Standards, Environmental Health, Home Improvement Team, Housing and Council Tax Benefits (including home visits team), Corporate Anti-Fraud Team, Housing Options and Advice, Planning Compliance, Building Control and Tower Hamlets Homes leasehold services, in particular in relation to:
  - HMO enforcement
  - “fit and proper person” tests
  - subletting of social housing
  - ASB in council leaseholder lettings
  - Rogue landlords database
  - Short-term lets
  - Sham lettings
- Develop shared rogue landlord and agent database for Trading Standards, Environmental Health, Housing and Council Tax Benefits (including home visits team), Corporate Anti-Fraud Team, Housing Options and Advice, Planning Compliance, Building Control and Tower Hamlets Homes leasehold services

- Develop joint-working and information-sharing protocols with registered providers in relation to subletting of social housing, leaseholder lettings, short-term lets, and sham lettings
- Work with universities to prevent sham lettings and social housing fraud.
- Establish annual PRS forum bringing together key internal services and external partners

---

19 October 2016



LONDON  
BOROUGH  
OF  
TOWER  
HAMLETS

HOUSING STRATEGY CONSULTATION REPORT

Building new homes and communities in Tower Hamlets  
Housing Strategy 2016-2021

## Executive Summary

The *Towards a Housing Strategy* consultation was launched by Mayor Biggs in an article in *East End Life* on 16<sup>th</sup> May 2016, with a housing survey made available online. The consultation was split into two stages, with the first stage taking place between 16<sup>th</sup> May and 31<sup>st</sup> July, and the second stage taking place between 16<sup>th</sup> September and 10<sup>th</sup> October.

The first stage of the consultation included the publication of the document '*Towards a Housing Strategy*' which the public were asked to read and comment on and a detailed housing survey available online and in hard format.

The stage one survey saw 411 surveys completed – approximately 65% of these were completed during face to face consultations with officers in the Borough's markets, with the remainder completed on the Council's website.

The data below has been extracted from the survey data recorded. The data received from the survey cannot claim to be statistically accurate in representing the views of the majority of those living in Tower Hamlets; however it does provide a good insight into the key issues concerning people in the Borough which will be valuable for informing the development of the housing strategy.

It should be noted that prior to the consultation being held, the work of the Mayor's Housing Affordability Commission, Somali Task Force and consultation on the Local Plan in late 2015 and early 2016 also provided valuable feedback from across the Borough's communities on a wide range of housing issues.

The second stage consultation included further public meetings, a housing conference, a second survey which was published online, and the Council's draft strategy and actions which the public were asked to comment on.

The stage 2 survey had 55 responses. The statistics and concerns raised are on pages 11-13.

## Methodology

The questions in the first stage survey were primarily developed around the findings and recommendations from the Mayor's Housing Affordability Commission which ran from December 2015 to February 2016 and through wider policy discussions with the Lead Members for Housing.

Before the online survey went live, it was tested by Council colleagues in order to ensure it worked and surveys could be submitted without any technical problems arising. The paper survey questions were tested on colleagues who did not work day-to-day in housing, in order to ensure the questions were clear so that residents in Tower Hamlets could understand what they were being asked to comment on. As a result of this, the language used in some of the questions was simplified in order to make it 'less techy'. Survey results were examined in order to ensure they were representative of the demographics of Tower Hamlets.

The second stage survey was created following the key housing concerns people mentioned during the stage one consultation. This survey contained questions which arose following the 'draft actions'.

## **Events and Consultations**

As part of the consultation, Council officers held over a dozen events across the Borough. Officers carried out face to face surveys in markets, idea stores, residents meetings, as well as briefing colleagues, management teams and partners in internal and external meetings. Specific engagement included holding an All Member briefing event, attending the Children and Partnership Board, the Parent and Carer Council, the Interfaith Forum, meeting Housing Options partners, holding three internal staff events, hosting a stall in the reception of Mulberry Place, and attending the Tenants and Residents Federation open meeting. Officers also held a housing conference, and met with the Youth Council.

Notes were taken at each meeting and feedback was recorded. While the majority of feedback was in line with what the Council's proposals are in the publications, some issues were raised which were not. These issues were considered and taken into account in the updated version of the Housing Strategy.

Many other issues raised related to service delivery, operational and partnership matters. These have also been captured and will be used to inform further policy development and delivery of the action plan.

**Respondents' profiles – First Stage Consultation Survey**

*Please note that not all respondents completed the monitoring survey. Therefore, the stats headlines do not add up to 100%.*

- Gender of those completing the survey: 49% female, 36% male.
- Landlord: 24% LBTH, 25% HA, 16% PRS, 16% owners, 2% homeless.
- Ethnicity: 28% Bengali, 26% British, 4% white, 3% Black, 1.5% Somali.
- Age Group: 16-24 (6%), 25-35 (23%), 36-45 (24%), 46-54 (11%), 55-64 (10%), 65+ (8%)
- 40% of respondents live in the Borough, while 5% work in LBTH. For the remaining 55% the question was not answered.

**Note:** *Equalities data for the second stage survey were not collected*

**Top 10 Housing Concerns of Residents in Tower Hamlets**

The top 10 housing concerns below were recorded from the comments made to officers by the public during the face to face surveys, and from the online survey which gave the public the opportunity to add specific comments.

<b>1</b>	<b>Overcrowding</b>
<b>2</b>	<b>Waiting List (too long)</b>
<b>3</b>	<b>Expensive / high rents</b>
<b>4</b>	<b>Local people should get housing priority</b>
<b>5</b>	<b>Repairs (Poor quality / Take too long)</b>
<b>6</b>	<b>Lack of parking</b>
<b>7</b>	<b>Lack of affordable housing</b>
<b>8</b>	<b>Lack of key worker housing</b>
<b>9</b>	<b>Low household income</b>
<b>10</b>	<b>Affordable rent is not affordable</b>

**Examples of Housing Concerns**

The comments below are a cross section of comments received during the face to face surveys and online. They are intended to give Members a feel of the type of comments being made by the public on key housing issues. A full list of comments is available for Members should they wish to look at them.



**OVERCROWDING**

*“Teenagers of the opposite sex sharing the same room. For example a teenage boy 16 sharing with a teen girl of 13.”*

*“I have four girls that all currently share a room. The Council should spend an evening in my home watching how hard it is for my daughters aged 13, 10, 8 and 2 to share one bedroom together with no private space for themselves!”*

**HOUSING REGISTER**

*“The waiting list is too long.”*

*“People jump the housing queue.”*

*“I think it is really important for the Tower Hamlets Council to strive to house those on the housing waiting list, as it is only fair as some families have waited years. So to try and build more housing which will accommodate for affordable rent will be ideal, so everyone can benefit from it.”*

**HIGH RENTS**

*“Many of us cannot afford to pay £250 - 300 per week so I would like to see more homes which is less than £200.”*

*“The average working family cannot afford a rent of £250-£300.00 per week.”*

*“The Council need to build new homes that we can afford as many of us do not earn more than £15,000 PA and we cannot afford to pay rent of £300 + per week. Priority needs to be given to those that have medical needs and need a ground floor property. There is a shortage of ground floor properties and these are being given to those who do not even need a ground floor. Old estates and buildings can be refurbished to save money than demolishing and building new build homes.”*

*“People on housing benefits should not be in prime area like zone 2!”*

*“Rent is very high and unaffordable. As someone who earns between 18-20k I struggle to pay the rent every month and have to scrape to get by. I find myself in situations where I am having to lean towards borrowing from the bank in order to make it through the month financially. The flat I live in is small and isn't even worth the money I pay for it.”*

**HOMES FOR LOCAL PEOPLE**

*“No outer Borough placements and homes for local people.”*

*“Properties bought by the wealthy as investments at the expense of residents - it is pushing prices up.”*

*“Only people born and bred in Tower Hamlets should get priority housing.”*

*“Local people don't get housed. People from the EU come here and get housing priority while we have to go private.”*

**REPAIRS**

*“Standard of homes is not good. Not modern.”*

*“Repairs are a problem - waiting too long and contractors not doing what they say.”*

*“Amount of time it takes THH to carry out repairs - not good enough.”*

*“Quality of housing association repairs and services is poor - they should be required to document and evidence management support.”*

*“Process for repairs is too long - limited options.”*

*“Make better use of empty properties.”*

**LACK OF PARKING**

*“No parking.”*

*“Public service areas should also be increased including GPs, schools, green spaces etc. - parking should also be considered, it is not enough to say a building is 'car free' - this does not seem to ensure that people cannot gain access to a resident permit, as there seems to be numerous 'work-around' this. The best solution would be to ensure all buildings have parking available at an affordable cost.”*

**LACK OF AFFORDABLE HOUSING**

*“Affordable homes allow people to stay in, contribute feel part of their local area. Expensive small private houses and flats create transient, tense cramped areas in this city of ours. That will be the slums of the future.”*

**LACK OF KEY WORKER HOUSING**

*“How are local communities being supported with all the new housing such as schools, doctors surgeries and local services? These new apartments create problems with school places and push locals further from their school catchment areas. Why aren't there more key worker builds?”*

*“How are key workers being supported in the Borough? What about key workers who live in overcrowded conditions for example? What incentive is there for them to continue to teach in London? How are those with median incomes able to pay rising rental rates in tower hamlets or afford homes? They are unable to do either.”*

*“Housing for key worker staff should be a priority.”*

**LOW HOUSEHOLD INCOME**

*“Too many homes feels like those on low income pushed out.”*

*“The majority of Tower Hamlets is full of families on very low income and those living in poverty. the last thing the Council could do is encourage more higher earning individuals to come and live in this Borough as that will inevitably lead to the social cleansing of the majority of residence that have lived in Tower Hamlets for the entirety of their lives.”*

**AFFORDABLE RENT IS NOT AFFORDABLE**

*“Define affordable housing, whom is it affordable too, based on what calculations?”*

*“These affordable rents are too high for family's to afford. I myself refused a 3 bed flat of £203 a week because we couldn't afford it. Also stop offering family's 9th floors with young babies. It's dangerous and not safe.”*

**Housing Survey Statistics – Short Survey**

The questions below were asked in order to gauge the level of support for the broad proposals of the *Towards a Housing Strategy* document. The survey results reveal that a majority residents support the direction of travel set out in the document.

Survey Question	% of Respondents who think this is 'Very Important'	% of Respondents who think this is ' Important'
Building new Council and housing association homes with rents that people can afford to pay.	82.6%	10%
Building new homes on its own estate for median income households (e.g., a single person or two people) who earn between £30,000 and £45,000 per year - before tax.	46.5%	26.7%
The Council works with housing associations in LBTH to make them more transparent and responsive, to improve the quality and management of housing association homes and will intervene where possible to improve services.	61.9%	22.7%
Using Council land to build new homes as well as modernise Council estates.	67%	20.8%
The Council to work with private landlords to improve the quality and management of private rented housing and take action against bad landlords.	61.9%	23.7%
The Council providing homelessness services to people who are not legally defined as homeless, but who the Council think it is important to give advice and support to.	46.7%	31.3%
Continue to give priority to people in most housing need on the housing register.	66%	19.6%

**Long Survey Data:**

In addition to the data included in the short survey responses above, approximately 140 people (34% of all respondents) went on to complete the longer version of the housing strategy survey on the LBTH website. Support for the proposals was more mixed than in the short survey particularly in relation to developing homes outside the Borough and some aspects of the proposed changes to the allocations scheme.

**Question 1 – The cost of Council and housing association affordable rented homes**

	<b>More homes at higher rents</b>	<b>Fewer homes at lower rents</b>	<b>No view</b>
The Council may have to make the difficult decision of deciding whether to have more rented homes at higher affordable rents (closer to the Government's affordable rents which are up to 80 per cent of market rents) and in the region of £250 - £300 per week for a two bed flat or have fewer homes at rents closer to current Council social rents or (closer to the Council's social rents) and in the region of £110 - £150 per week for a two bed flat.	<b>33%</b>	<b>57%</b>	<b>10%</b>

**Question 2 – Should we build new homes in lower value areas**

	<b>Building new homes in lower cost parts of Tower Hamlets</b>	<b>Build new homes at cheaper rents outside Tower Hamlets</b>	<b>No view</b>
The Council may have to make the difficult decision of deciding whether to build more rented homes at rents close to current Council rents in either lower value areas or perhaps outside of the Borough. Which do you think is most important	<b>60%</b>	<b>35%</b>	<b>5%</b>

**Question 3 - A new rental product for median income households**

	Agree	Disagree	No View
The Mayors Housing Affordability Commission has recommended that the Council should consider developing homes at higher rents on its own estates for median income households e.g. a single person or two people who earn between 30000 and 45000 - before tax. These homes would be let on a separate waiting list and be built alongside homes at lower rents for people in greater need. Do you agree with developing new homes on estates with a mix of rents which are affordable to local people on different income levels:	58%	37%	5%

**Question 4 - Repairing and improving council stock or building new homes on Council estate land**

	Repairs and improvements to existing housing stock	Building new affordable homes on Council estate	A mix of both improvements and new homes	No View
Due to the Government's decision to reduce rents by 1 per cent for the next 4 years, the Council will have less money to spend on Council housing, which means there are difficult decisions about where to spend the money that is available. In respect of the Council's housing managed by Tower Hamlets Homes, which of the three options do you think the Council should prioritise?	13%	19%	64%	4%

**Question 5 - Improving private rented housing**

*More tenants than ever before now live in the private rented sector. The Council is introducing a private sector licensing scheme to register private landlords in the east of the borough in the autumn, with the aim of improving services and rooting out bad landlords. What kind of changes would you like to see in accommodation provided in the private rented sector?*

	<b>Agree</b>	<b>Disagree</b>	<b>No View</b>
Longer tenancies. Currently most private tenancies are usually for between six months and a year and may not be renewed	<b>71%</b>	<b>13%</b>	<b>17%</b>
More action on bad landlords, for example, landlords who do not carry out repairs or who harass tenants	<b>88%</b>	<b>5%</b>	<b>8%</b>
License private landlords of houses in multiple occupation in the Borough	<b>71%</b>	<b>13%</b>	<b>16%</b>
Have a standard of service, like the London Rental Standard, promoted by the Mayor of London	<b>76%</b>	<b>8%</b>	<b>16%</b>

**Question 6 - Meeting homeless households' needs**

*Homelessness continues to be a major issue in the borough. The Council has a legal duty to meet certain homelessness people's needs – usually the most serious based on the Common Housing Register Allocation Scheme - which may be met using Council or housing association accommodation or using private sector housing.*

*Others may just be entitled to housing advice. While the Council delivers many new affordable rented homes a year, we still cannot build enough homes to meet everyone's needs. Private rented housing in the Borough is too expensive to house homeless people who are on low incomes. This is likely to mean some homeless people will be placed outside Tower Hamlets on a permanent basis. This means we need to consider radical solutions. The Council is also considering other ways to provide temporary accommodation for homeless people. To meet these needs:*

	<b>Agree</b>	<b>Disagree</b>	<b>No View</b>
Should the Council build and / or buy temporary accommodation in the Borough	<b>57%</b>	<b>25%</b>	<b>18%</b>
Should the Council build and/or buy temporary accommodation outside the Borough	<b>46%</b>	<b>40%</b>	<b>13%</b>
Should the Council use suitable private rented housing (and Council and housing association temporary accommodation) to end its Council's homelessness duty?	<b>50%</b>	<b>34%</b>	<b>16%</b>

### Question 7 - Allocating council and housing association homes to households from the Housing Register

The Council is also consulting on changes to the Housing Allocation Scheme in as part of the consultation on the draft Housing Strategy. The Scheme sets out the rules that decide whether an applicant can join the Common Housing Register and what priority band they receive. We are looking at a number of changes. These include:

The Council currently operates a 10 per cent quota for Band 3 applicants who are not in housing need, given the housing demand from other applicants on the register. Do you think we should consider:

	Agree	Disagree	No View
Remove the quota entirely	34%	41%	26%
Reduce the percentage quota to 5 per cent or less which will increase the lets available to higher priority applicants, including homeless families	39%	42%	19%
Reduce the quota and restrict them to 1 beds only which will increase the lets available to higher priority applicants, including homeless families	33%	47%	20%

	About right	Too long	Too short	No view
On the three year continuous residence rule, do you think the length is	50%	15%	24%	11%

	Agree	Disagree	No View
Should we, retain the residency requirement but create a sub-band in Band 2 for cases in housing need but have not lived in the Borough for 3 years continuously.	31%	48%	21%
Should the Council only allow room sharing if children of opposite sex are under 10 years of age	51%	34%	15%

The results from the longer survey demonstrated broad support for the proposals in the *Towards a Housing Strategy* document, however there were mixed responses to the allocations question on Question 7, which have been taken into consideration for the allocations report.

**Stage 2 Consultation Survey**

The answers given during the first round of consultation were used as a foundation for the questions below. The second stage survey was published on the council's website, with 2,000 postcards distributed across the Borough with the website where the survey was located. The questions also link in with the draft proposals in the housing strategy which was launched alongside the questions below.

Question	Yes	No
1. When the Council proposes to build new homes on estate land, should it consider building homes for market sale to help fund the development of the Council homes for social rent?	32	22
2. On new private developments, the Council has always sought to ensure that both private and affordable housing is developed alongside each other. In exceptional circumstances, the Council can accept a cash payment to build the affordable homes elsewhere, particularly for new build in expensive areas such as Canary Wharf. Do you think the Council should consider accepting cash payments in order to develop more new Council homes in other less expensive parts of the borough and on existing Council land?	29	24
3. Where new Council homes are built on Council estate land, should people who live on the estate get special consideration for smaller homes when they can give up a larger home (note: all applicants will need to be registered as under-occupying on the common housing register)	50	4
4. The Council wants to increase the number of homes for rent and ownership available to working people on incomes (before tax) of between £30,000 and £45,000: should the council give higher priority to key workers such as nurses, teachers, and social workers?	37	18
5. The Government will be introducing regulations that will mean that all Council housing tenancies in the future are likely to be for fixed terms rather than the lifetime tenancies which are currently issued. This is to ensure properties meet the needs of tenants as needs change over time. For example, a tenant might need a three bedroom house for their children but when their children have grown up and/or moved out, the tenant can then live in a smaller house. The 3 bedroom house can then be used for another family with children. If the Council has to introduce fixed term tenancies, do you think a tenancy length of up to 10 years is about right? (Note: For families with children, tenancies could last up to 19 years).	34	20



**Public Comments raised with the Survey Above:**

Although surely many nurses, social workers, care professionals earn under £30,000?
Due to the high level of graduate unemployment and the level of unemployed graduates in the borough of tower hamlets. Particularly those of ethnic background, the tenure may not be long enough. As to save to move or purchase a home will be very hard and a deposit may take over 30 years to save for.
Fire fighters, NHS workers not just nurses,
I feel that this could mean other, non-key workers, some of whom provide valuable services to the community, remain 'at the bottom of the queue'.
I think we should have priorities according to waiting time and according to registration date. We all are human and we all got the same right.
It is so difficult for our young people to afford a private rented property in Tower Hamlets let alone buy anywhere here. We need to do all we can to keep young families in Tower Hamlets so all options should be explored. This is especially true for key workers. We need them to stay in London so that they can work in inner London boroughs and have a vested interest in the area where they work. Key worker properties can help to keep employees in vital services. I do believe that key worker services should be extended to include ancillary workers in the emergency services i.e. support staff in schools, health care assistants, etc.
Key workers should include, dustmen, recycle workers, bus drivers, underground and train employers, police, sewage workers, Thames water employers etc. Anyone who works to make it possible for London to run smoothly. Anyone working in London with an income below £45,000 should be given priority. Apropos no 5 London private rent is so expensive. Children in a Council flat should be allowed to stay until they are working and earning above a certain amount and want to move, also the Council should give them a home in the area they grew up in if they have to leave. 10 years is definitely not enough if you are going down that road it should be between 30-40 years and they should have the option of staying in their own area. My daughter left school at 18, studied architecture, which is 7 years study, she was 24 when she had finished. I think the whole idea of moving people from their homes is appalling, you are deciding how people run their lives, no room for grandchildren to stay etc. Also it will create other social issues, mental issues, more homeless etc. amongst younger people. Also meanwhile people are living in their home knowing that one day they are going to be asked to leave by the powers that be. I can't believe this is even being talked about.
On 1 market sale is probably inevitable but TH needs to be strict. And I know many developers lie through their teeth about building affordable housing only to retract it in return for cash later in the process, so again being really strict here is key. And, again, if people can be rehoused within their estate that seems ok to me but it must not be allowed to drive people elsewhere - so enforcement should be strict.

<p>Policeman, fireman, junior doctors. Please give honours to the working people of our community. Support the ones who support the community by their work, by paying tax. Stop selling Council homes, right to buy is damaging our community by decreasing available social homes for key workers.</p>
<p>The income should be lesser considering the national minimum wage and the types of jobs many people are now into. The Council should put the interests of low income earners and those willing to make regular payment towards their rent and support families with more demand and sometimes financial debt</p>
<p>The right to buy on housing association properties is very hard to come by but is a vital way for many people to get onto the property ladder. We should be doing more to work with our housing associations to convince them to extend the current right to buy initiative across Tower Hamlets. With the current increases in property prices in Tower Hamlets even with a full reduction someone with the right to buy is still likely not to be able to afford to buy their home. The maximum reduction on right to buy properties should be increased and it should be considered reducing the length of time it takes to qualify for the right to buy. We should be offering a reduction in property prices and rent for long term local residents particularly if they take up employment in the borough and give back to the economy. This will encourage people to up skill themselves as well as attracting skilled workers and entrepreneurs to live and work in TH's.</p>
<p>There is a dearth of open spaces near Whitechapel / Brick Lane area. This needs to be addressed. More people should be allowed the option of moving outside of the Borough, some want to move out, this should be made easier.</p>
<p>Those working within the service and public services industries which are key to the successful functioning of the area, for example security, transport or administration.</p>
<p>Key workers are important as are community workers who are typically on even lower incomes, but also provide important services to the Borough and its residents. They should be prioritised too.</p>
<p>Care workers but not certain that preference can be justified. All roles offer some value and other local people will feel excluded if priority is given to those in the public sector.</p>
<p>Queen Mary University of London (QMUL) consider that an additional 'worker' category should be added to the Draft Housing Strategy to reflect the requirements of specialist staff employed in research and academic roles. These workers are invariably critical to the research, teaching and development undertaken by the Faculties of Humanities and Social Science, Science and Engineering and School of Medicine and Dentistry at the University that benefits the wider community and London's economic base and diversity. Many of these staff are employed for specific research and other purposes who are attracted by the quality and global standing of London's Universities and specifically QMUL. A large percentage of the academics employed at QMUL fall within the defined key worker income bracket, along with a large number of the other key staff employed by the University. QMUL believe that the 'Key Worker' definition should be expanded to encompass this important sector. Indeed, the Greater London Authority, in the last Examination in Public to the London Plan in response to evidence presented by QMUL, acknowledged that specific types of University staff and Researchers would be considered as 'specialist' workers but that support for these sectors should be promoted through local need having regard to local Borough housing strategies. Additionally considering the aspirations of the London Mayor to promote London's Med City and to develop a Life Sciences hub in Whitechapel, together with his recognition of the importance of attracting world leading academics and researchers to London as a global city, the inclusion of this category of workers would help to support these overall aspirations and enhance QMUL's global identity and with it that of Tower Hamlets too.</p>

## **Youth Council**

On 21<sup>st</sup> September 2016, 31 young people (including Members of the Youth Council) attended a briefing and engagement event in Mulberry Place. The youngsters were split into four teams and there was a general housing quiz, and then a group activity about where each person wanted to be in 5 and 10 years, along with whether they think they would still be able to live in Tower Hamlets (if that's what they wanted). This engagement was particularly useful as it enabled officers to hear the housing concerns about the next generation of tenants in the Borough. The majority of attendees expressed concern that they would be unable to have a house in the Borough due to the high rental / purchase cost, and general high demand due to projected population increase. Young people genuinely enjoyed living in Tower Hamlets and saw their future as remaining living in the Borough.

## **Housing Conference**

On 1<sup>st</sup> October 2016 a special housing conference was held at the Spotlight Centre. The purpose of this conference was to brief residents on the housing strategy and our proposals, and to let them have their say on the draft actions we have listed.

Almost 100 people attended the conference (including LBTH Officers), and 60 of those stayed until the end. This high level of public turnout on a wet Saturday morning is testament to the importance and concerns people have about the future of housing in Tower Hamlets. As well as discussing the draft Housing Strategy and Housing and Planning Act resident took part in a piece of interactive theatre presented by Card Board Citizens.

## **Housing Conference Feedback**

In each delegate pack handed out to attendees at the housing conference there was a feedback form which attendees were encouraged to complete at the end of the conference. This form was completed by 21 people. The feedback received is detailed below, and is useful as it will enable us to plan future housing events better.

**Housing Conference Feedback**

<b>What was your main reason for coming to this conference?</b>	
To hear the Council's proposals in the housing strategy	15
To have your say on the new housing strategy	7
To find out about the new Housing and Planning law	6
To ask the Mayor and housing panel any questions	4
To network with others interested in housing	4
To contribute to the panel discussion	1
To attend the break-out sessions	4

<b>Overall, how would you rate the conference?</b> Excellent = 4, Good = 3, Average = 2, Poor = 1	
4	9
3	11
2	
1	

<b>Do you think the Council has chosen the right themes in the strategy?</b>	<b>YES:</b> 17	<b>NO:</b> 0
--	-------------------	-----------------

<b>Where did you hear about this Conference?</b>	Email	Cllr Islam / Blake	TRA	Poplar Harca email	Leaflet in local housing office	Resident engagement invitation	Spitalfields HA	Website	TH Fed	TH Law Centre
	6	2	2	1	1	1	1	1	1	1

<b>Overall were you satisfied with the briefing on the housing strategy?</b>	<b>YES: 16</b>	<b>No: 2</b>	<b>Not Answered: 1</b>
<b>If not, please state why</b>	Council should do more to limit planning permissions granted to companies building private, expensive accommodation in TH.		
	Not completely clear what is going to be done - I'll read the strategy		
	Q+A was only on the housing act and not on general affordable housing.		
	It was patronising. Break-out sessions were useful, but talking about how nice the Council is and how tied your hands are when enough has not been done.		

<b>Overall were you satisfied with the breakout discussions?</b>	<b>YES: 13</b>	<b>NO: 1</b>	<b>Not Answered: 3</b>
	More positive explanations on what can and should be done rather than the constraints and limitations		
<b>If not, please state why</b>	It was a bit of a grievance airing session - would have been good to find out what's going to change		
	Too little time on the break out discussion		
	Not clear what to discuss		

<b>Were you satisfied with the cardboard citizens' performance?</b>	<b>YES: 18</b>	<b>NO: 0</b>
	I think it took away from the practical bit and questions on the strategy	
<b>If not, please state why</b>	Excellent and representative of real situation. People need to have an advocate to help and support them.	
	What was the point?	

<b>Overall were you satisfied with the briefing?</b>	<b>YES: 15</b>	<b>NO: 3</b>	<b>Not Answered: 1</b>
	The Council representative did not present their plans to oppose and work around some of the areas where they have options		
	Too short to fully understand it and then to be able to ask any relevant questions		
	There is no definitive act yet		

## **Housing Conference Breakout Groups Issues Raised**

### **Group 1: Delivering affordable housing, economic growth and regeneration.**

- Local capacity – How much can we really build?
- Self-build – What is the Council's approach to site allocation?
- Estate regeneration – Concerns over process, decants, levels of affordable housing returned and disruption
- Development viability – Mistrust of system that allows affordable housing volume to be reduced on the basis of financial viability
- Planning ghettos
- Decent homes then regeneration – Poplar Harca and LBTH – Concern about what the next stage of regeneration will involve
- Economic growth – concern that local people may get left behind
- Keeping hold of land – ensuring the Council is not forced to sell sites here it could build Council housing
- Small sites – Value the contribution that infill developments can bring.

### **Group 2: Meeting people's housing needs.**

- Session concentrate on homelessness and heard first hand from people who are affected by the shortage of suitable housing
- Consideration of the Council's response to tackling homelessness, particularly around quality and location of temporary housing and how long people will remain in it.
- Consideration of allocation scheme and the way households are prioritised for housing
- Recognition of the needs of other groups and the Council's efforts to meet their needs

### **Group 3: Raising private rented housing standards.**

#### **Licensing**

- Licensing is a good idea (this from a landlord) – but has been appallingly implements. We only got a letter last week. It's not been designed for small accidental landlords like us – we don't have enough expertise or information to answer questions like "who does your repairs" – and £500 up front is a lot, too much – we should be able to spread it out over the years.

#### **Rogue landlords - and agents**

- Agents are much more the problem than landlords. Agents causing problems.
- Managing agents overcharge tenants – asking £100s just to renew tenancy agreements.
- Agents cause chaos for landlords. Council causes problems by advising tenants to stay until the bailiffs come – makes it hard for landlords to do the right thing.
- It's always a battle dealing with managing agents – no fixed regulations, no oversight.

- Agents give tenants stress, poor service, mis-selling.
- Landlords are stuck with bad agents as much as tenants.
- The new regulations are positive – and nobody knew about them - but they don't go far enough – they can still charge you what they like.

### **Social Lettings Agency**

- Everybody was very supportive of the Council setting up a social lettings agency – start small and then scale up – this is how private business would do it – there are landlords out there who are sick of high fees and would support ethical letting – put it in an agency that just aims to cover its costs – tie it in with wider strategic approach e.g. to CPOs, EDMOs, even consider renting out high value sales to cover costs of Housing Act – we want a good market rent lettings agency, it's OK to start small and it will grow.
- GLA could lead this by franchising social lettings to the Boroughs – GLA could develop the software, infrastructure, overheads and reduce costs like that.

### **Engaging Private Tenants**

- The private rented sector in Tower Hamlets and inner London is increasingly made up of younger people – sharing flats, not registered, not paying bills, not engaging with local community, more churn. Engaging with tenants would be a good thing but young people don't want to give up their time, they just want things fixed and done. And young people live on line – so you need to use that if you want to engage.
- Tenants need more education.
- You need to aim at the websites used by renters - e.g. spareroom.com – you can target on-line ads and Facebook advertising by postcode or "Tower Hamlets" – you could publicise rights and contacts through that and it wouldn't be expensive
- Educating landlords is very important and positive.
- You could offer incentives to RTB landlords – for example allowing them to buy into renewal works such as bathrooms.

### **Insecurity**

- Tenants have to move constantly – I'm trying to be involved in my community but I can't afford to buy and I need a guarantee that when I rent I can stay somewhere for 10-15 years.
- Community Land Trust has been good – but has only been able to help a very small number of people

### **Airbnb**

- Airbnb is a problem causes antisocial behaviour in my block – would be good to do something about it, need to enforce.

### **Changes to strategy as a result:**

- Increase emphasis on working with and regulating agents as well as landlords

**For consideration operationally and in action plans**

- Amend application process for small landlords
- Consider spreading licensing costs for small landlords
- Look at targeted advertising to promote tenant and landlord awareness
- Engage tenants through online groups
- Feed into considerations of social lettings agency

**Group 4: Effective partnership working with residents and stakeholders.****Tenant Rights**

- There were some concerns by attendees about tenant's right in general – particularly if there were mergers.
- There was concern from some residents that when housing associations merge, tenants are kept in the dark. It was felt by some that their needs as residents was going ignored. One person said the large housing associations are not accountable to anyone.
- There was general support to improve the Tenant and Resident Federation, and to assist communities in setting TRF up.

**Rents and Accountability**

- 1% rent reduction – need to sell void properties and give the money to the Government rather than investing in housing.
- One man said he would like to see Tower Hamlets Homes holding its AGM on time, rather than just relying on public drop in sessions for residents to talk about any THH problems they have.
- One individual said they wanted to see something in law so that landlords could not increase their rent suddenly by a large amount.
- The big saving for the Government would be on housing benefit if they built homes at social rents

**Stock**

- Some residents expressed their concern at social housing stock being sold off and not replaced.
- RP attendees stated that everybody needs to balance the books and for some that may mean selling off higher value stock.
- The Mayor said he has constantly tried to seek money from the Government and City Hall so that he can build affordable social housing in the Borough.
- Better management of estates was mentioned.

**Partnerships**

- Concern regarding Poplar Harca privatising the Balfour Tower to fund social housing – residents expressed the need to work better in future.
- One member of the public said the TH Common Housing Register was a unique and solid example of partnership and one which private landlords should consider signing up to.
- The Mayor said he believed Government policy was pointing towards more mergers of housing associations. And work is being done to improve partnerships.





LONDON BOROUGH OF TOWER HAMLETS

# Housing Evidence Base

---

November 2016

## Contents

<i>Introduction to the Evidence Base</i> .....	3
<i>Tower Hamlets Projection Growth Statistics</i> .....	5
<b>1. Housing Demand</b> .....	6
<b>1.1 Common Housing Register</b> .....	7
<b>1.2 Overcrowding</b> .....	8
<b>1.3 Under occupation</b> .....	9
<b>1.4 Housing demand for older residents</b> .....	10
<b>1.5 Homelessness</b> .....	11
<i>Homelessness Approaches and Preventions</i> .....	11
<i>Statutory Homelessness Assessments</i> .....	11
<b>1.6 Profile of households</b> .....	12
<i>Ethnicity</i> .....	12
<i>Age</i> .....	12
<i>Reasons for Homelessness</i> .....	13
<b>1.7 Housing the Homeless: Temporary Accommodation and Social Lets</b> .....	13
<i>Temporary Accommodation</i> .....	13
<i>Bed and Breakfast Accommodation</i> .....	14
<b>1.8 Demand for specialist accommodation</b> .....	15
<i>Supported housing</i> .....	15
<i>Wheelchair and accessible housing need</i> .....	16
<i>Project 120</i> .....	16
<b>1.9 Lettings</b> .....	18
<i>Social Housing Lets to Homeless Households</i> .....	19
<b>2. Housing supply</b> .....	21
<b>2.1 Housing Stock</b> .....	22
<i>Tenure</i> .....	25
<i>Council owned stock</i> .....	27
<i>Registered Providers</i> .....	27
<i>Private Sector Housing</i> .....	30
<b>2.2 Future Housing Supply</b> .....	33
<i>Residential Development Projections</i> .....	34
<i>Student accommodation</i> .....	35
<b>2.3 Housing Costs</b> .....	35
<i>Rent</i> .....	35

***Housing Benefit .....36***  
***Incomes .....36***  
***Strategic Housing Market Assessment 2014 .....37***  
***Source: Tower Hamlets Council Data.....37***  
***Housing Needs Survey.....38***

# Introduction to the Evidence Base

The London Borough of Tower Hamlets is now the fastest growing borough in the country, with its population expected to increase by a further 22% between 2016 and 2026. The latest figures show an increase of six thousand five hundred people (+6,500) on the 2015 estimate of 291,300 – a percentage increase of 2.2 per cent – higher than the average rise across Greater London (+0.5 per cent) or nationally (England, +0.7 per cent).<sup>1</sup>

Within London, Tower Hamlets was – by far – the fastest growing borough, followed by Islington (+9.1 per cent), Camden (+7.1 per cent), Hackney (+13.1 per cent) and Barking & Dagenham (+15.2 per cent).

Between 2001 and 2011 more homes have been built in the borough than elsewhere in the country and the number of households in the borough has increased since 2001 by 29% to 101,300. Tower Hamlets ten year (2015-2025) housing delivery target is 39,314 which equates to 3,931 per year and 9% of the London target, this means Tower Hamlets has the highest housing target of any London Borough.

More than two thirds of the borough's population belong to a minority ethnic group. Whilst the Tower Hamlets continues to be home to the largest Bangladeshi community in the country it is now the 15<sup>th</sup> most diverse borough in London and the 16<sup>th</sup> most diverse in the country. After the "White British" group, the third largest ethnic group is now the "Other White" group who account for one in eight of the borough's residents and include a mix of ethnic backgrounds such as Europeans, Australians and Americans.

The most significant change in the borough's population has been the age profile with the borough experiencing a 44.5% increase in the number of residents aged 20 to 64. Working age residents now make up 73.9% of the population.

The average earnings for those in work in the borough is now approximately £58,000 per annum whilst the median household income is £30,379. Around 27,430 (16%) working age residents are in receipt of out of work benefits and Tower Hamlets has the third highest unemployment rate in London as well as high levels of deprivation and child poverty. In terms of housing need the council and other Registered Providers operating in the borough have more than 20,000 households on the common housing register and there are 9,500 overcrowded households.

A report by consultancy Local Futures published in January 2013, confirms that Tower Hamlets is now ranked first in the country in terms of economic performance and there is evidence that the local labour market is once again beginning to strengthen. Tower Hamlets now has an employment rate of 61.9%, the highest since 2004. The 2010 Local Economy Assessment

---

<sup>1</sup> GLA 2015 Round SHLAA-based Capped Household Size Model Population Projections (July 2016)

confirmed that despite its east London location, the Tower Hamlets economy has characteristics similar to central London locations and is estimated to be around £6 Billion per annum. Tower Hamlets is home to the second largest financial business district in the country which now provides around 100,000 jobs, 40% of the borough's employment. There has also been significant employment growth to the west of the borough in the City Fringe where around 15% of the borough's employment is located. The £20 billion Crossrail project will further enhance the borough's connectivity and increase access to international markets via Heathrow.

However, the borough's central London economy has put significant pressure on its housing market. As of 2014, 39% of all stock in the borough was in the private rented sector, up from 20% in 2003. It is estimated that since 2014 the number of properties in the PRS has continued to increase.

There is strong evidence of international investment in the borough's housing stock and there is intense pressure in the borough to deliver other types of residential accommodation. Tower Hamlets now accommodates almost 7,000 bedspaces of student accommodation.

Following regional rather than national trends, house prices in Tower Hamlets have increased by 34% since 2013 when average house prices were £383,732. The average house price is now £514,828, more than 17 times the median household income and rents are in excess of £1,700 per month for a 1 bedroom flat or apartment.<sup>2 3</sup>

This evidence base is being published as more data from the 2011 census is released by the Office for National Statistics, as is the borough's 2014 Strategic Housing Market Assessment. This data will provide a more comprehensive picture about the extent of changes in the borough's tenure pattern; household conditions etc. over the last ten years.

The evidence base sets out the information and data required to support a range of housing priorities relating to homelessness, private sector housing, older people and the Tenancy Strategy.

The housing evidence base will also sit alongside the needs assessments informing the council's key strategies relating to the local economy, health, financial inclusion and children and young people, and our housing delivery priorities in the Local Development Framework.

---

<sup>2</sup> RightMove Property Prices - <http://www.rightmove.co.uk/house-prices-in-Tower-Hamlets.html>

<sup>3</sup> Foxtons - <http://www.foxtons.co.uk/living-in/tower-hamlets/rentals/>

# Tower Hamlets Projection Growth Statistics

## **Population**

- *Between 2001 and 2011, the population of Tower Hamlets increased by 254,100, making the Borough the fastest growing place in the UK.*
- *Tower Hamlets is expected to be the fastest growing borough in London and one of the fastest growing local authorities in England over the next ten years. According to GLA projections, the population will rise from 296,300 in 2016 to 374,000 in 2026, a 26 per cent increase.*
- *Between 2026 and 2036, the TH population growth is projected to slow down. By 2031, the borough's population is expected to grow at a slower rate than London as a whole.*
- *Blackwall and Cubitt Town is projected to be the fastest growing ward in the borough over the next ten years, with a 70 per cent increase in its population.*

## **Ethnicity**

- *In 2011 more than two thirds of the population of Tower Hamlets belong to a minority ethnic group (i.e. not White British).*
- *The broad ethnic makeup of Tower Hamlets is expected to remain relatively static, with the proportion of white and Black and Minority Ethnic (BME) residents projected to change little between 2011 and 2031. This differs from the projections for London, which anticipate the proportion of BME residents to rise from 40 per cent to 46 per cent.*

## **Household Projections**

- *In 2011 Tower Hamlets had 101,300 households with an average household size of 2.47 people per household. This was the same average household size as the London average, and slightly higher than the average in England which was 2.36.*
- *By 2021, Tower Hamlets is projected to have a total of 139,600 households living in the borough with an average household size of 2.40 people per household.*

Source: Population Projections for Tower Hamlets, LBTH Research Briefing, January 2016

# 1. Housing Demand

## ***Housing Register***

- There are over 19,000 households on the housing waiting list.
- Of these 53.75 % are in priority categories 1 and 2.
- 7,078 of these households are over-crowded.
- 52.3% of all households on the register are Bangladeshi families.
- 506 residents on the register are under-occupying by two rooms or more.
- There are over 232 households with a need for wheelchair adapted property in category 1a and 1b.

## ***Homelessness***

- There are over 1,996 households in temporary accommodation placed by the council.
- In 2015/16 the Housing Options Team made 656 homeless decisions, this is 15% down on decisions made in 2014/15.
- 557 households were accepted in 2013/14, 5% down on 2014/15
- During 2014/15 the Housing Options Team prevented over 672 households becoming homeless
- Although the general trend in homelessness has been downwards over the last four years, these trends have shown an upwards turn across the London region with a 10% increase in homelessness since the third quarter of 2015

## ***Lettings***

- Nearly 8,500 homes have been let in Tower Hamlets over the past four years.
- 58% of all homes let through choice during 2015-16 were let to an over-crowded household.

## 1.1 Common Housing Register

**Table 1: Common Housing Register - Demand by Year and Bedroom Category**

Bed Category	April 2007	April 2008	April 2009	April 2010	April 2011	April 2012	April 2013	April 2014	April 2015	April 2016
1 bed	9,938	11,159	11,705	11,396	11,152	11,141	11,759	9,042	8,738	8,495
2 bed	4,405	4,600	4,757	4,665	4,976	5,001	5,187	4,497	4,343	4,213
3 bed	4,561	4,368	4,630	4,857	5,215	5,386	5,595	5,124	4,994	4,812
4 bed	821	1,341	1,450	1,447	1,545	1,616	1,663	1,564	1,524	1,426
5 bed +	147	261	247	249	248	241	210	198	184	178

Tower Hamlets changed its Lettings Policy from October 2010 introducing a banding system. Additional priority was given to over-crowded households on the Housing Register. While there has been a continuous decrease in the demand for one bedroom accommodation between 2008 and 2016 – with a slight increase in 2013 – the demand for one bedroom accommodation is now at 2005 levels. By April 2016 there were 19,124 households on the Common Housing Register a decrease of 3% compared to April 2015, and a decrease of 21% compared to April 2013. Around 44% of households are in need of 1 bedroom properties whilst 33% require 3 or more bedroom properties.

**Table 2: Historic demand by Priority category**

Demand by Community Group	April 2007	April 2008	April 2009	April 2010	New Bands from Oct-2010	April 2011	April 2012	April 2013	April 2014	April 2015	April 2016
CG1	1,364	1,551	1,602	1,568	BAND 1	2,638	2,480	2,364	2,073	1,976	1,849
CG2	2,732	2,857	2,778	2,371	BAND 2	9,457	9,325	9,339	9,225	8,720	8,430
CG3	13,329	14,362	15,076	15,324	BAND 3	7,988	8,471	9,358	9,127	9,087	8,845
CG4	2,447	2,958	3,333	3,351	BAND 4	3,053	3,109	3,353	not used	not used	not used
Total Demand	19,872	21,728	22,789	22,614		23,136	23,385	24,414	20,425	19,783	19,124

Source: CHR database Apr 2016

\*\*\*Note: The drop in number of applicants on the CHR database was as a result of Council's review of the lettings scheme allowed for under the Localism Act in 2012 which meant a number of categories of applicants were no longer eligible to remain or join the Housing Register. [For more information on bandings click here.](#)

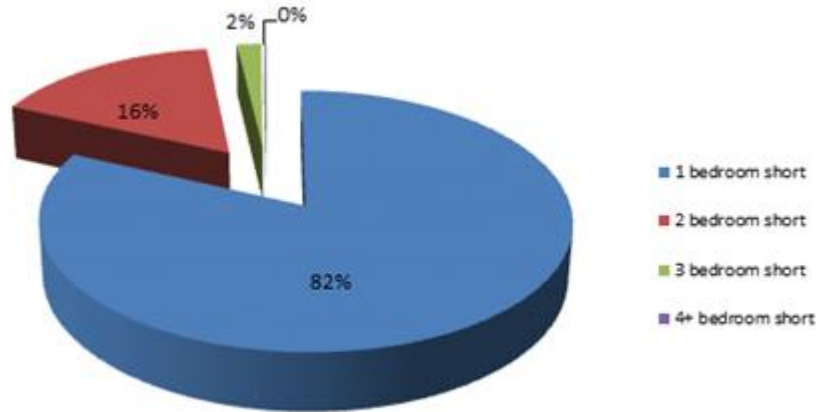


## 1.2 Overcrowding

Since 2009 there has been nearly a 15% reduction in the number of households classified as “overcrowded” on the Common Housing Register. Of the 7,078 overcrowded households, over two-thirds are Bangladeshi families and 79% of overcrowded households require 2 or more additional bedrooms.

**Diagram 1: Percentage of Overcrowded households by bedroom need**

Tower Hamlets Common Housing Register 01 April 2016:



Source: Tower Hamlets Common Housing Register, Apr 2016

**Table 3: Over-crowding by Broad Ethnic Group**

Broad Ethnic Group	No. of households	%
Asian/Asian British	5232	73
Black/Black British	648	9
Dual Heritage	117	2
White/White British	746	11
Refused/unknown	95	1
Other	313	4

Tower Hamlets Common Housing Register 01 April 2016

## 1.3 Under occupation

Welfare Reform changes introduced from April 2013 has resulted in working age social tenants experiencing a reduction of their benefits (LHA) if they are live in housing which is considered to be too large for their household needs. This rule corresponds with existing rules already in place for tenants in private rented accommodation. In Tower Hamlets there are currently 1,333 households registered on the CHR as under occupied and that they are mostly older tenants. Analysis of the CHR shows currently

- There are 1,333 registered under-occupying households
- Over 900 under-occupying social housing tenants are of working age
- Almost 300 of these households are under occupying by more than one room

**Table 4: Total number of registered under-occupiers**

Excess Beds	
1	1,036
2	252
3	39
4	5
5	1
<b>Total</b>	<b>1,333</b>

Tower Hamlets Common Housing Register April 2016

There are 1,333 social housing residents of working age were registered as under occupied on the housing register. The table below shows the number of bedrooms over need which the household currently has.

**Table 5: Working Age Under-occupiers by bed need**

Age Groups	Under- occupiers by current bedroom in property							Grand Total
	2 bed	3 bed	4 bed	5 bed	6 bed	7 bed	8 bed	
18 to 25	8	3	2					13
26 to 40	50	41	14	1	2			108
41 to 50	89	102	34	7	1			233
51 to 60	142	163	68	15	4	1	2	395
61 to 65	210	278	73	16	5	1	1	584
<b>Grand Total</b>	<b>499</b>	<b>587</b>	<b>191</b>	<b>39</b>	<b>12</b>	<b>2</b>	<b>3</b>	<b>1,333</b>

Tower Hamlets Common Housing Register 01 April 2016:

These figures only refer to under occupiers registered on the housing waiting list.

## 1.4 Housing demand for older residents

The last time Tower Hamlets undertook an Older Person's needs assessment was in 2010 when the Council commissioned Trimmer CS to conduct an Older Persons Needs Assessment to support the development of the Older Persons Housing Strategy. As highlighted in the Older People Housing Statement.

As required under national planning policy framework, Tower Hamlets is required to identify future needs of older people in its Local Plan. The work which will be undertaken in the future will continue to help inform the housing strategy.

Table 6 shows the recommended level of housing provision for residents aged over 75 as at 2010.

**Table 6: Current and recommended levels of provision of specialist housing for Older People.**

Type of housing	Number of units per 1,000 population over 75 years
Current: Provision of traditional and enhanced sheltered housing (rental and leasehold)	136
Proposed: all forms of specialised accommodation for older people, excluding residential care	180
Breakdown of proposed provision:	
Conventional sheltered housing for rent	50
Conventional sheltered housing leasehold	75
Enhanced sheltered housing (divided equally between rent and sale)	20
Extra care sheltered housing (divided equally between rent and sale)	25
Housing base provision for dementia	10

**Source:** (*More Choice, Greater Voice, DH/CLG, 2005*)  
*Older Peoples' Housing Needs Assessment, 2011*

## 1.5 Homelessness

### Homelessness Approaches and Preventions

Between 2009/10 to 2014/15 around 5,172 households approached the Council as homeless or at risk of being made homeless. The figures for each year have remained relatively stable. An emphasis on prevention in the Homelessness Strategy has led to a notable reduction in homeless applications in the borough.

The Council's Housing Options Service (HOS) works closely with other council services and partner organisations, including third sector agencies, to prevent households becoming homeless. Over 5,100 households were prevented from being homeless as a result of housing advice and support intervention between 2009/10 and 2014/15, exceeding the Council's target for this period.

**Table 7: Households prevented from being homeless through housing advice and support intervention**

	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	Totals
Target	786	915	856	600	740	690	4,587
Actual	1,079	988	1045	657	731	672	5,172

*Source: Tower Hamlets Council data*

The majority of homeless preventions are achieved by assisting homeless households to secure alternative accommodation, particularly in the private rented sector (PRS). Initiatives such as the Private Sector Access Scheme play an important role in helping households obtain rented accommodation in the private sector.

### Statutory Homelessness Assessments

The number of statutory homelessness assessments (homelessness decisions) has fluctuated since 2008/9, but overall, there has been a significant reduction in homelessness assessments made by the Council. In 2008/9 a total of 946 decisions were made. By 2014/15 with 777 decisions were taken, and in 2015/16 this had reduced to 656 decisions, equating to a 30% reduction over three years.

The number of households accepted as homeless (homelessness acceptances) has also reduced over the same period, from 713 in 2008/9 to 522 acceptances in 2015/16, 27% down on 2008/09.

## 1.6 Profile of households

### Ethnicity

Ethnic minority households in the Borough are disproportionately affected by homelessness, as is the case regionally. In 2015/16 80% of households accepted as homeless were from minority ethnic groups. However, ethnic minority groups account for 69%<sup>4</sup> of the Borough's population. This is similar to the general housing needs in the borough, with BME households accounting for over 70% of households on the Housing List, and the majority of those that are overcrowded. The Tower Hamlets Strategic Housing Market and Needs Assessment (SHMA) found that BME households are, on average, larger and more likely to be overcrowded.<sup>5</sup>

Asian households are, by far, more likely to be homeless than any other ethnic group in the Borough. Though only accounting for 30% of the population, 59% of households accepted as homeless in 2015/16 are Asian. Black households in the borough are also disproportionately affected by homelessness when compared to the population as a whole. Black households make up 16% of households accepted as homeless, but represent 7% of the Borough's population.

### Age

By far the largest age groups accepted as homeless are the 16-24 and 25-44 age groups (with the latter being the largest), though the numbers of acceptances from these groups have dropped significantly – again a reflection of overall reductions in homeless acceptances. Acceptances across most other age groups has also reduced or remained constant. In 2008/9 323 households accepted as homeless (37.9%) were from the 16-24 age group. By 2015/16 the figure was 91 households (17%) of those accepted.

Acceptances for the 25-44 age group has seen a steady decrease. Homeless acceptances for this age group went from 454 in 2008/9 349 (67%) in 2015/16. The number of households accepted as homeless who are 60 or above has also reduced, from 31 in 2008/9 to 11 in 2015/16. Acceptances among the 45-59 age group have increased from 45 in 2008/9 to 71 in 2015/16. The number of homelessness acceptances made as a result of a member of the household having a physical or mental disability has decreased dramatically between 2008/9 from 97 households to 18 households in 2015/6. The percentage of acceptances as a result of vulnerability due to a disability is 3.4%. However, this is the third largest priority need group, behind those with dependent children and pregnant women.

---

<sup>4</sup> Population statistics taken from the 2011 Census

<sup>5</sup> London Borough of Tower Hamlets (2014) Tower Hamlets Strategic Housing Market and Needs Assessment

## Reasons for Homelessness

The main known reasons for households being made homeless have changed as a result of the welfare reforms with landlords now requiring their properties back to let on the open market where they can command higher rents than those affordable on benefits and low incomes. In 2012/13, 93 (22%) households were homeless as a result of the ending of their Assured Short-hold Tenancies, in 2015; this figure was 199 (35%)

**Table 8: Reasons for Homelessness 2015/2016**

Parental ejection	121
Ejection by other family relative or friend	95
Relationship breakdown	16
Domestic violence	50
Other violence	8
Harassment	2
Mortgage Arrears	0
Rent arrears	9
Ending of assured short-hold tenancy	186
Other loss of private sector home	31
Other	16
<b>Total</b>	<b>536</b>

*Source: Housing Options Team July 2015 – June 2016*

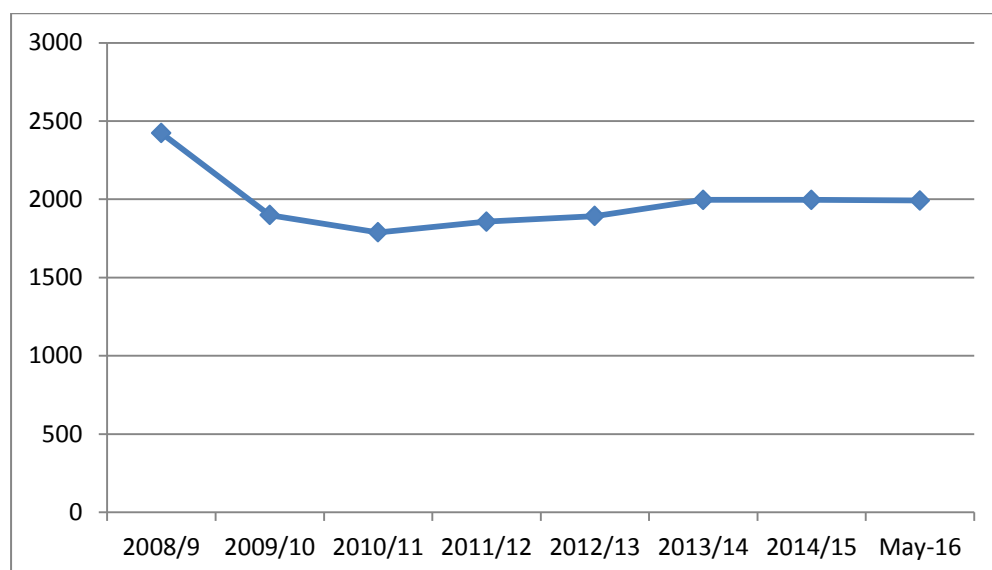
## 1.7 Housing the Homeless: Temporary Accommodation and Social Lets

### Temporary Accommodation

The number of households placed by the Council in temporary accommodation has reduced year on year, from 2,424 in 2008/09 to 1,996 in April 2016.

Following a near year-on-year reduction in households in temporary accommodation, since 2008/09 the number of household in TA is began to flat-line, reflecting the trend in homeless decisions and acceptances. However there has been a slight upward trajectory by June 2014 to April 2016 with 1,996 households were in temporary accommodation This is due to a number of factors; primarily the refreshed lettings policy which has led to significant reductions in social housing lets to homeless households, and an increase in lets to overcrowded families to address the imbalance in the previous lettings policy. Other possible reasons for the increase in Temporary Accommodation include the impact of welfare reform and private sector rents which restrict the number of lettings LBTH can make to those on the housing register.

**Diagram 2 Households in temporary accommodation in Tower Hamlets**



Source: TH Housing Options, 2016

Of the 1,996 households placed in temporary accommodation in May 2016 by the Council, 1,066 are being accommodated outside the Borough due to the high demand for temporary accommodation, and prohibitive costs of Private Sector accommodation in the Borough. Households with complex needs are so far as possible not housed outside Tower Hamlets.

### Bed and Breakfast Accommodation

The number of accepted homeless households placed in Bed and Breakfast (B&B) accommodation has increased between 2009/10 and 2013. As at March 2010 79 homeless households were placed in B&B. By March 2014 this figure had increased to 149; however as of May 2016 the figure had reduced to 113. The increase in the number of households in B&Bs since 2010 reflects the additional pressure on services caused by a reduction in private sector housing, which could be attributed to the impact of welfare reforms.

As of 30<sup>th</sup> September 2016 there were 29 families with dependent children/pregnant women in B&B, none of these families were housed in a B&B for over 6 weeks, resulting in the Council achieving legal compliance for the first time.

The Council housed 100 adult-only households; some of them rough sleepers who were / are not in priority need, some awaiting a hostel placement, priority need awaiting a permanent offer, or some that have had a negative decision and being accommodated on a discretionary basis pending a review of the decision on their homeless application

## 1.8 Demand for specialist accommodation

### Supported housing

The council is currently reviewing the demand for specialist housing in the Borough including supported housing and hostel accommodation and the evidence collated will be used to inform our priorities. The Supporting People Commissioning Strategy adopted by the council in 2011 sets out how the council and its partners will meet the housing needs of vulnerable people in the borough through the provision of housing related support services.

Vulnerable people include the homeless and rough sleepers, young people leaving care or at risk including teenage parents, older people, people with mental health needs, physical disabilities, learning disabilities, HIV/AIDS, people with substance misuse issues, refugees, ex-offenders and women fleeing domestic violence. Our strategy identifies gaps in provision, particularly

- Appropriate supported housing options for people with learning disabilities, mental health issues and older people; and
- Housing options for those leaving the care system, teenage parents and young people at risk because they are homeless.

There is a need for supported housing in the borough and many vulnerable people are exercising their choice by making supported housing as their preferred housing option. The table below provides a detailed breakdown of totals units by each client group.

**Table 9: Supported Housing Provision by Client Group**

Client Group	Total Units
Substance Misuse Services	99
Domestic Violence	66
Frail/Elderly	161
Older People – Support Needs	2,254
Generic, Homeless Family Support needs	843
Learning Disabilities	38
Mental Health	430
Refugees	13
Physical/Sensory Disabilities and HIV/AIDS	20
Single Homeless, Rough Sleepers, Ex-Offenders	966
Young people at Risk/Leaving Care, Teenage Mothers	149
<b>Total</b>	<b>5,023</b>

*Source: Tower Hamlets Supported People Commissioning Strategy, 2011-16*



## Wheelchair and accessible housing need

Results from the 2014 Strategic Housing Market and Needs Assessment (SHMA) shows that 20,293 households contained a household member with a disability or limiting long term illness, and 1.7% of households said that they had a support need. Data was also collected about the extent to which the home had been built or adapted to meet the needs disabled persons and what facilities need to be provide. 10.5% of households said that their home had been adapted to meet the needs of disabled household member. Analysis of the council housing waiting list shows that there are 130 households in need of Category A & B wheel-chair accommodation on the accessible housing register. 70 of these households require larger three bedroom plus homes and 30% of households have children with disabilities. All households in this category have the highest priority for re-housing.

## Project 120

Project 120 (P120) was started in 2012 and re-launched in January 2014 to address the specific housing needs of families with a wheelchair user on the Council's Housing waiting list. The name stems from the 120 families who were on the Accessible Housing waiting list at that time. Even though our planning policy at the time required 10% of new affordable units to be wheelchair accessible, there was a lack of suitable units in the development pipeline, especially for families with specific mobility requirements.

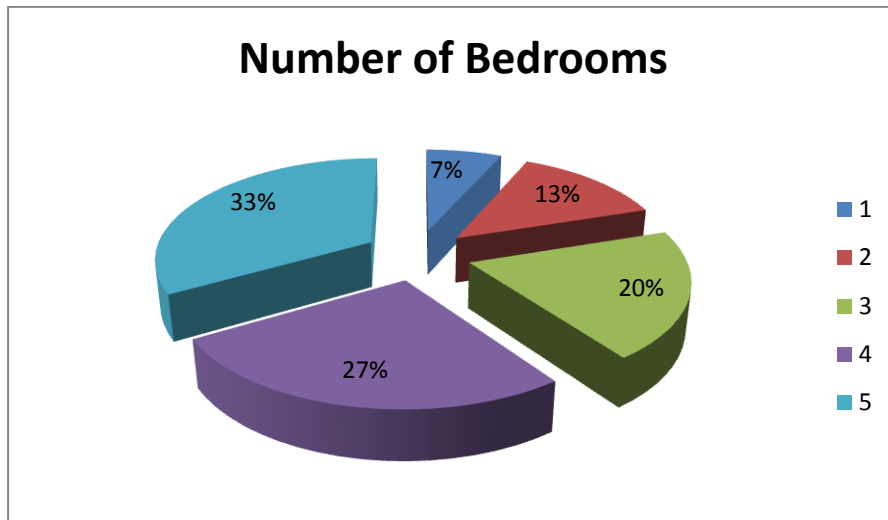
Since April 2015, a further 30 families have been rehoused in suitable properties.

### Latest update:

Project 120	Apr 2015	May 2015	Jun 2015	Jul 2015	Aug 2015	Sep 2015	Oct 2015	Nov 2015	Dec 2015	Jan 2016	Feb 2016	Mar 2016	YTD	15/16 Target
Applicants rehoused	1	2	2	1	4	0	4	9	2	2	1	2	30	60
Applicants currently under offer	5	4	4	2	11	4	9	13	6	4	6	5	73	

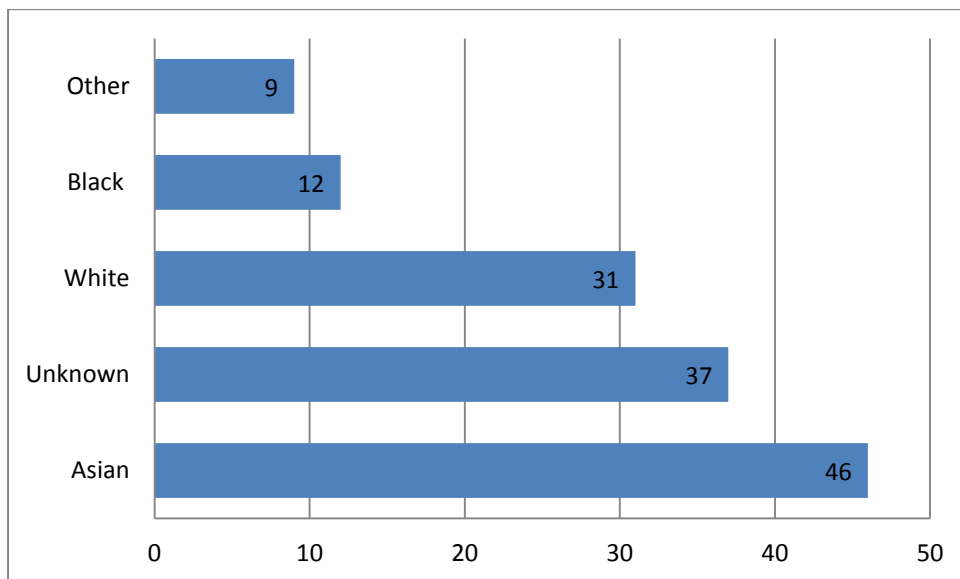
Source: CHR Forum Statistics, April 2016

**Diagram 3: Number of clients assessed as requiring a wheelchair accessible housing (category A & B) by bedroom size.**



Source: *Housing Options, Tower Hamlets Records*

**Diagram 4: Category 1 & 2, Accessible Housing Need Register by Ethnicity**



Source: *Housing Options, Tower Hamlets Records*

## 1.9 Lettings

Tower Hamlets operates a Common Housing Register with all major RPs operating the Borough. During 2009/10 the CHR adopted a new allocations policy which gives greatest priority to households with high medical and social need, households in severely over-crowded conditions and under-occupying households.

**Table 10: Historical Lettings**

Lets by bedroom size	06/07	07/08	08/09	09/10	10/11	11/12	12/13	13/14	14/15	15/16
Bedsit	174	100	170	167	168	88	106	88	78	92
1 Bed	737	544	820	1019	816	854	840	652	722	718
2 Bed	733	673	733	883	799	1013	843	699	662	805
3 Bed	264	248	346	442	361	545	432	361	313	427
4 Bed	53	47	61	161	88	132	155	80	73	130
5 Bed	16	3	9	5	13	66	56	27	21	8
6 Bed	3	12	3	6	6	5	2	0	3	0
7 Bed	0	0	0	0	1	0	1	0	-	0
8 Bed	1	0	0	0	0	0	0	0	-	0
<b>TOTAL</b>	<b>1,981</b>	<b>1,627</b>	<b>2,142</b>	<b>2,683</b>	<b>2,252</b>	<b>2,703</b>	<b>2,435</b>	<b>1,907</b>	<b>1,872</b>	<b>2,180</b>

Source: *Housing Options, Tower Hamlets Records*

**Table 11: Allocations by Priority Need 2015-2016**

Banding		
1A_DECANT		
<b>Decants</b>	<b>101</b>	<b>4.6%</b>
1A_EMERGE		
<b>Emergencies</b>	<b>42</b>	<b>1.9%</b>
1A_MEDICAL		
<b>Ground floor priority - medical</b>	<b>72</b>	<b>3.3%</b>
1A_UNDROCC		
<b>Under occupiers or downsizing</b>	<b>99</b>	<b>4.5%</b>
1B_DECANT		
<b>Decants</b>	<b>10</b>	<b>0.5%</b>
1B_PRIOMED		
<b>Priority medical</b>	<b>123</b>	<b>5.6%</b>

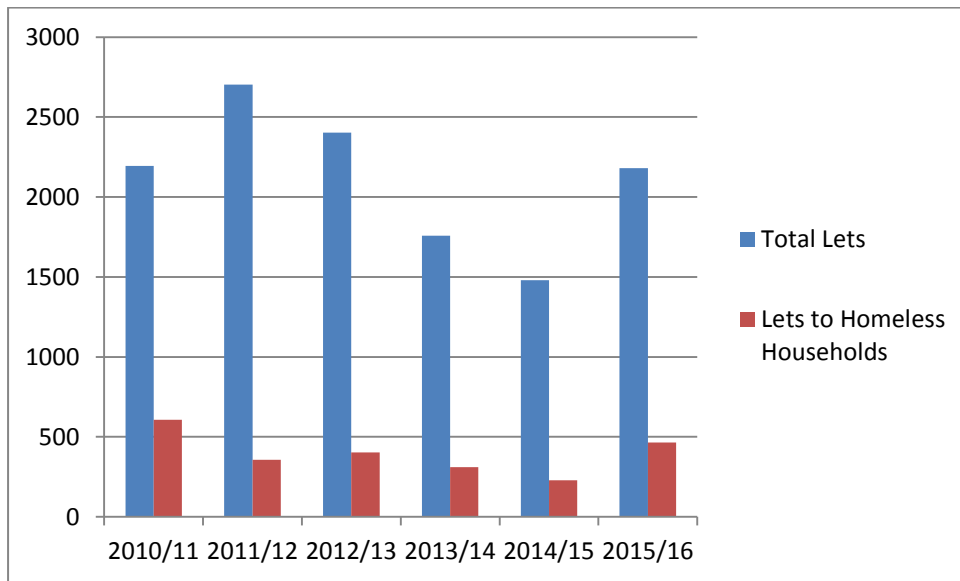
1B_PRIOSGL <i>Priority Single</i>	40	1.8%
1B_PRIOSOC <i>Priority social</i>	60	2.8%
1B_PRIOTRG <i>Priority target groups</i>	120	5.5%
2_OVERCRWD <i>Overcrowded applicants</i>	911	41.8%
2_PRIOHLSS <i>Priority homeless</i>	412	18.9%
3_CHRTRANS <i>Transfers</i>	31	1.5%
3_SHRADQHS <i>Applicants who are not overcrowded</i>	156	7.2%
CATFAIL	3	0.1%
<b>Total</b> Source: CHR Statistics, April 2016	<b>2,180</b>	

## Social Housing Lets to Homeless Households

In 2008/9 the Borough's Common Housing Register partner landlords made 2,142 lets, 822 of which were to homeless households. In 2009/10 this increased to 2,608 lets, 943 of which were to homeless households. In March 2014 year the number of lets made to homeless households reduced to 210 reflecting the 2010/11 policy change which gave overcrowded households equal priority.

In 2015/16 the number of lets made reduced to 2,180 partly due to fewer new build units delivered in that year; of these 465 were lets to homeless households.

**Diagram 5: Lets to Homeless Households 2010/11 to 2015/16**



*Source: Tower Hamlets Council lettings data*

## 2. Housing supply

### ***Housing Stock***

- The housing stock in Tower Hamlets has increased by 27% since 2003; there are now almost 121,000 homes in the Borough.
- In 1981 over 86% of all homes in Tower Hamlets were Council/ GLC owned, today only 10.9% of the stock is Council owned and for the first time in the Borough's history, less than half the housing stock is social housing.
- The private rented sector is now the fastest growing housing sector in the Borough; it has risen from 18.3% of the stock in 2003 to around 39% of the stock in 2014.
- There are now approximately 7,000 student bedspaces in the Borough, the highest in London.
- There are close to 9,000 ex-right to buy leasehold properties managed by Tower Hamlets Homes in the Borough. Overall, there are more than 15,000 leasehold properties formerly owned by the Council.
- There are an estimated 2,800 intermediate housing units in the Borough.
- The Borough is growing by over 3,000 homes per year, making Tower Hamlets the quickest growing Borough in London. Consequently the borough qualifies for the highest level of New Homes Bonus in the country.
- Tower Hamlets has a strong track record of housing delivery and continues to provide among the highest number of affordable homes in the country
- The total delivery of new-build affordable homes from October 2010 to the end of March 2014 now totals 4,029 units. The target for the next four years (2014-2018) is to deliver 5,500 new affordable homes.
- Tower Hamlets has delivered 25% more homes than Birmingham, the second highest delivery authority in the Country and 30% more than Hackney, the second highest delivery authority in London.
- Almost 2,500 affordable homes have been delivered in Tower Hamlets in the last three years.

### ***Private sector Stock***

- According to the 2011 Private Sector Stock Condition Survey Tower Hamlets has 67,209 homes in the private sector, of which 62% are in the private rented sector. This figure will have risen since 2011.
- Private rented is now the largest tenure in the borough with 39% of the housing stock. The London average is 25%.
- Around 16% of properties are over-crowded while 39% are under occupying.
- Approximately half the leasehold stock sold under right to buy is now privately rented.
- Approximately 37% of the private stock was built post 1990.

- 19% of the borough's stock fail the decent homes standard compared with 35.8% nationally
- 6% have Housing, Health and Safety Rating System (HHSRS) category one hazards, compared with a national average of 23%
- 1.7% of the stock has a Standard Assessment Procedure (SAP) rating below 35.
- Approximately 350 HMOs are licensable under statute.
- 30% of all category one hazards (such as lack of space / pollutants) are in HMOs.
- Fire safety is the biggest hazard in HMOs; it represents 58% of all Hazards.

### ***Future Housing Delivery***

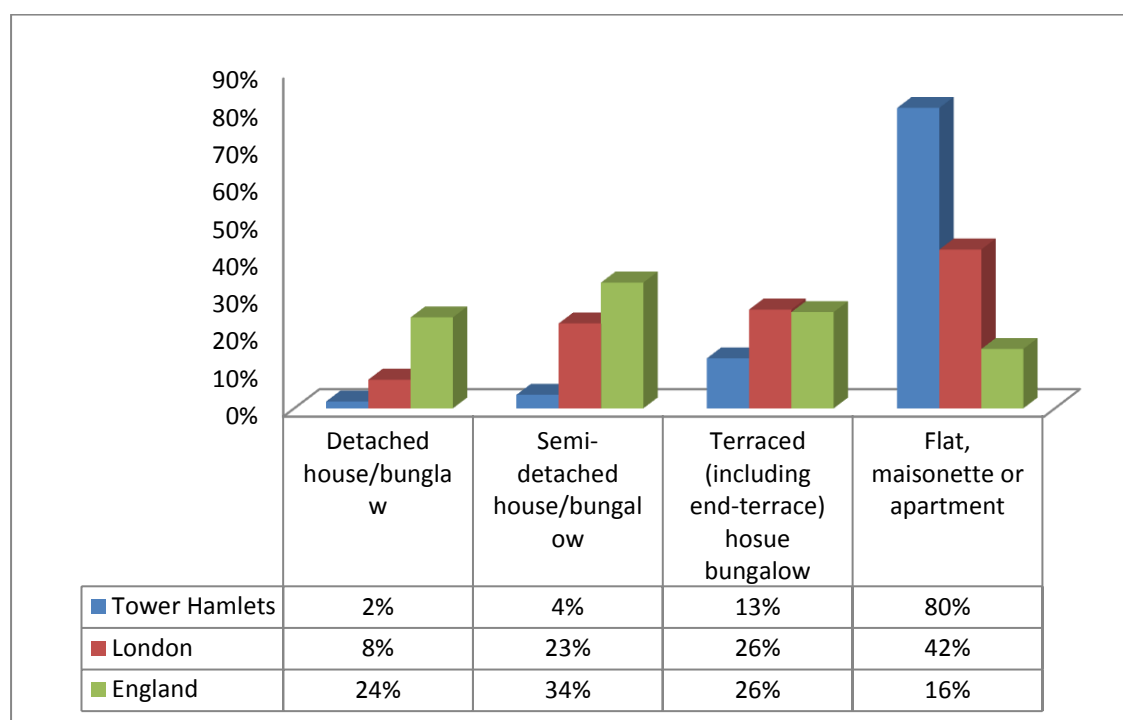
- Tower Hamlets has an annual housing target of 3,931 set up the Greater London authority and is expected to accommodate an additional 39,310 homes by 2021

## **2.1 Housing Stock**

With an increase of 32.2%, Tower Hamlets had the largest increase in London in the number of dwellings between 2001 and 2011. Between 2008/09 and 2009/10 over 5,000 additional homes have been built of which 40% of these have been affordable. Since 2011/12 16,542 additional homes were delivered in Tower Hamlets.

The Borough's housing stock is dominated by flatted accommodation with 80% of dwellings comprising of flats compared to 42% in London and 16% in England. Between 2001 and 2011 Tower Hamlets a 10% increase in the number of houses but 36.7% increase in the number of flats, the largest in London.

**Diagram 6: Accommodation Type in Tower Hamlets, 2011**



Source: 2011 Census, Office for National Statistics.

## Housing Delivery – National and London comparison

### New Homes Bonus

New Homes bonus is paid annually to Local Authorities to recognise the number of new homes built and empty properties brought back into use by Local Authorities. An additional premium is paid for each affordable home built.

As well as an annual calculation based on a year's delivery, Local Authorities receive a commutative payment to reflect overall delivery over the six year period the New Homes Bonus has been paid for. The payments reflect how much more delivery LBTH has achieved in comparison to both London and Nationally.

**Figure 3: Total Payments for 2011 - 2016**

	Top 5 National		Top 5 London	
	LA	Payment	LA	Payment
<b>1</b>	Tower Hamlets	28,641768	Tower Hamlets	28,641768
<b>2</b>	Birmingham	21062083	Hackney	18042641
<b>3</b>	Cornwall UA	19570433	Southwark	16326874.



4	Hackney	18042641	Islington	15251000
5	Wiltshire UA	17880450	Lambeth	14020034

**Table 12: Affordable Homes since 2010/11**

2010/11	1 bed	2 bed	3 bed	4 bed	5 bed	6 bed
Social Rent	65	91	105	29	28	5
Intermediate Rent	65	73	30			
Shared Ownership	46	53	43	13		
2011/12	1 bed	2 bed	3 bed	4 bed	5 bed	6 bed
Social Rent	377	536	427	187	78	5
Intermediate Rent	20	30	1			
Shared Ownership	142	127	31	16	4	
2012/13	1 bed	2 bed	3 bed	4 bed	5 bed	6 bed
Social Rent	129	80	122	30	20	
Affordable Rent	1	1		1		
Intermediate Rent	6	6	3			
Shared Ownership	52	94	23			
2013/14	1 bed	2 bed	3 bed	4 bed	5 bed	6 bed
Social Rent	47	95	102	33	26	
Affordable Rent	35	26	22	4		
Shared Ownership	78	70	40	2	1	
2014/15	1 bed	2 bed	3 bed	4 bed	5 bed	6 bed
Social Rent	64	96	95	32	10	
Affordable Rent	75	46	29	14	2	
Shared Ownership	45	74	28			
<b>Total</b>	1,247	1,498	1,101	361	169	10
<b>Total</b>	<b>4,386</b>					

Source: LBTH, Report: Housing Policy and Affordability Commission, May 2016

Land holdings in either the General Fund or the Housing Revenue Account present the best opportunity to produce affordable housing in the Borough. This is because there is no land purchase involved and the Council can use its retained Right to Buy receipts and potentially, other resources such as appropriate capital receipts or uncommitted New Homes Bonus to subsidise the development in order to produce lower rents. This however will have implications for the financing of other council priorities.

The Council has a programme to deliver a minimum of 553 new homes at the sites in table 13.

**Table 13: Affordable homes at framework rents**

Scheme	Units	Comment
Poplar Baths/Dame Colet House	100	Completed
Bradwell Street	12	Completed
Watts Grove	148	Onsite
Jubilee Street	24	At Planning Stage
Baroness Road	20	
Locksley Estate (Site A & D)	54	
Hereford Street	38	
Tent Street	72	
Arnold Road	62	

**Table 14: Number of homes in LBTH as net additions**

Properties	Year1	Year2	Year3	Year4	Year5	Year6	Total Increase
	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	
CTB Completed	Sep-10	Sep-11	Sep-12	Sep-13	Sep-14	Sep-15	
<b>Yearly Growth</b>	2,977	2,873	3,368	2,070	3,241	2,013	<b>16,542</b>

Source: Tower Hamlets Council Data

Table 14 reveals 16,542 additional homes have been delivered in Tower Hamlets since 2011/12.

## Tenure

Since 2001 there has been a dramatic change in the profile of households by tenure type in the Borough. In 1981 over 86% of all homes in Tower Hamlets were Council/GLC owned. In April 2014 around 10% of the stock was Council owned and, for the first time in the Borough's history, less than half the

housing stock is social housing. The private rented sector is now the fastest growing housing sector in the Borough, now accounting for around 39% of all housing. The Council and RSL housing stock available to rent are currently around 43,000 (around 36% of all stock), which is accessed by registration on the choice based letting system.

Tower Hamlets has the second lowest proportion of owner occupied households in the country with only 25% of households owning their own homes either outright or with a mortgage.<sup>6</sup> In 2003 31% of households owned their own homes.

Although the proportion of social rented households has fallen since 2001 from 52.2% to 36% in 2014, Tower Hamlets still has the 4<sup>th</sup> largest proportion of social rented households in the country after Hackney and Southwark (both 43.7%) and Islington 42%.

In the last decade the private rented sector which has doubled increasing from 20% (17,513 households) in 2003 to 39% (45,978 households) in 2014. Tower Hamlets now has the fifth highest proportion of private rented households nationally after Westminster (39.7%), Kensington and Chelsea (35.8%) and Newham (34%).

**Table 15: Comparison of Housing stock by tenure, April 2014**

Tenure	2003	%	2011	%	2014	%
Owner occupied	27,308	31%	25,339	23%	27,179	23%
Council owned ( <i>Rented</i> )	24,200	28%	12,500	12%	12,087	10%
Registered social landlord ( <i>Rented</i> )	17,828	20%	26,484	24%	30,540	26%
Private rented sector	17,513	20%	41,870	39%	45,978	39%
Shared ownership	500	1%	2,000	2%	2,340	2%
<b>Total</b>	<b>87,349</b>		<b>108,193</b>		<b>118,125</b>	

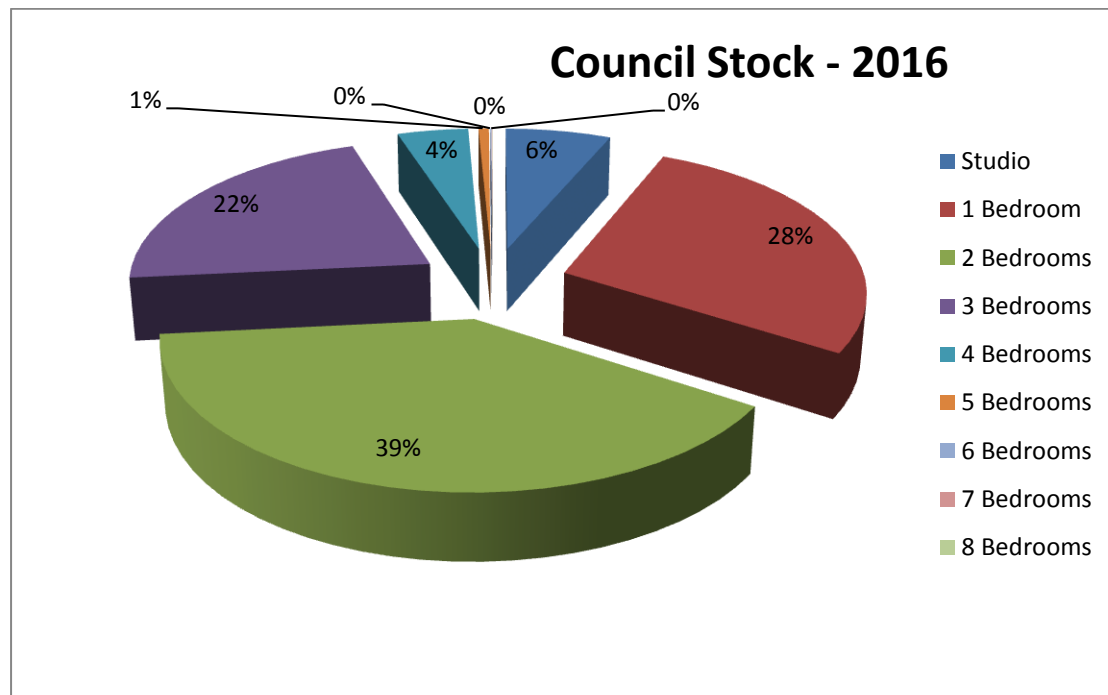
Source: LBTH Housing Affordability Commission, 2016

\*These figures are updated estimates based on 2011 Census tenure split uplifted to reflect growth in residential numbers as recorded in the 2014 Council Tax records.

<sup>6</sup> ONS 2014, *A Century of Home Ownership and Renting in England and Wales*

## Council owned stock

**Diagram 7: Tower Hamlets Dwelling Stock by Bedroom size**



Source: Tower Hamlets Homes Stock Database, 2016

The number of dwellings now managed by the council's due to stock transfer and right to buy. The number of units managed by the council. The council stock is managed by its ALMO, Tower Hamlets Homes, has fallen to less than 12,100 units.

## Registered Providers

There are currently 58 Registered Providers (RPs) operating in the borough managing almost 30,000 homes. Excluding Tower Hamlets Homes, the five largest RPs' in the borough are, Poplar HARCA, Old Ford, One Housing Group, East End Homes and Tower Hamlets Community Housing, between them, they manage 56.9% of all RP stock in the borough excluding Tower Hamlets Homes stock.

**Table 16: Registered Providers in Tower Hamlets, 2016**

Registered Provider Name	Stock Nos 2016 ( SDR)	% of ALL stock
A2Dominion Homes Limited	139	0.48
Access Homes Housing Association Limited	27	0.09
Affinity Sutton Homes Limited	238	0.82
AmicusHorizon Limited		
Arhag Housing Association Limited	37	0.12
Arhag Housing Association Limited	121	0.41
ASRA Housing Association Limited	4	0.01
Belgrave Street Housing Co-operative Limited	23	0.07
Blue Square Residential Ltd	0	
Circle Thirty Three Housing Trust Limited	602	2.07
Co-operative Development Society Limited	19	0.06
East End Homes Limited	2259	7.8
East Homes Limited	1456	5.02
Family Mosaic Housing	186	0.64
Gallions Housing Association Limited	242	0.83
Gateway Housing Association	1738	6
Genesis Housing Association Limited	1212	4.18
George Green's Almshouses	8	0.02
Grand Union Housing Co-operative Limited	79	0.27
Habinteg Housing Association Limited		
Home Group Limited	9	0.03
Lien Viet Housing Association Limited	22	0.07
London & Quadrant Housing Trust	77	0.26
London Strategic Housing Limited		
Look Ahead Care and Support Ltd		
Metropolitan Housing Trust Limited	123	0.42
Mission Housing Association Limited	2	0.006
Moat Homes Limited	0	
Network Stadium Housing Association Limited	129	0.44
Newlon Housing Trust	695	2.4
North London Muslim Housing Association Limited	39	0.13
Notting Hill Home Ownership Limited		
Notting Hill Housing Trust	90	0.31
Old Ford Housing Association	2997	10.34
Omega Housing Limited	12	0.04
One Housing Group Limited	2845	9.82
Orbit Group Limited		
Orbit South Housing Association Limited		

Origin Housing Limited		
Peabody Trust	<b>1146</b>	3.96
Places for People Homes Limited	<b>92</b>	0.3
Poplar HARCA Limited	<b>6107</b>	21
Providence Row Housing Association	<b>89</b>	0.3
Salvation Army Housing Association	<b>43</b>	0.14
Sanctuary Housing Association	<b>22</b>	0.07
Seymour Housing Co-operative Limited	<b>12</b>	0.04
Shepherds Bush Housing Association Limited	<b>0</b>	
Southern Home Ownership Limited		
Southern Housing Group Limited	<b>1197</b>	4.1
Southwark and London Diocesan Housing Association Limited	<b>58</b>	0.2
Spitalfields Housing Association Limited	<b>674</b>	2.32
Swan Housing Association Limited	<b>1635</b>	5.64
The Guinness Partnership Limited	<b>204</b>	0.7
The Industrial Dwellings Society (1885) Ltd	<b>146</b>	0.54
The Mile End Housing Co-operative Limited	<b>25</b>	0.08
Tower Hamlets Community Housing Limited	<b>2009</b>	6.93
TPHA Limited	<b>2</b>	0.006
Veterans Aid		
Wilfrid East London Housing Co-operative Limited	<b>67</b>	0.23
<b>TOTAL</b>	<b>28,958</b>	<b>100% (rounded up)</b>

Source: Homes and Communities Agency, Statistical Data Return 2015 to 2016

The above table does not include the 12,000 homes managed by Tower Hamlets Homes on behalf of the Council.

## Private Sector Housing

There has been a significant increase in the proportion of private sector housing in the Borough in the last two decades. Whilst in 1981 86% of the borough's housing stock was social housing by April 2014 approximately 39% of the Borough's housing stock is in the private sector.

### **The Private Sector Stock Condition Survey 2011**

In 2011 the council commissioned consultants MDA to carry out a comprehensive survey of the condition of the borough's private sector stock and provide a profile of the of occupants including their socio-economic characteristics.

#### ***Demographics***

- 22% of all private sector households are single person households
- 12% of all private sector households comprise of a resident aged 60 and over.
- 16% of all private sector households are overcrowded
- Around 29% of vulnerable households living in private sector live in non-decent housing.

#### ***Stock Condition***

- 37% of the private sector stock was built before 1990
- Reflecting the age of the stock 19% of the private sector stock fails the decent homes standard compared to 35.8% nationally.
- Around 6% of the stock has Category 1 hazards compared to 23% nationally.
- The average cost of making a home decent during 2011-12 and 2012-13 is £9,368
- 1.7% of the stock has a Standard Assessment Procedure (SAPO) rating below 35.
- There are approximately 350 licensable HMOs in the borough
- Fire safety is the biggest hazards in HMOs, representing 58% of all hazards

#### ***Private rented sector***

- There are approximately 4,000 households living in private rented accommodation.
- 67% of all fuel poverty in the private sector is in private rented accommodation.
- 35% of households living in private rented accommodation have a disabled resident.
- 19% of residents living in private rented accommodation are overcrowded.
- Nearly 27% of residents in private rented accommodation are under-occupying.

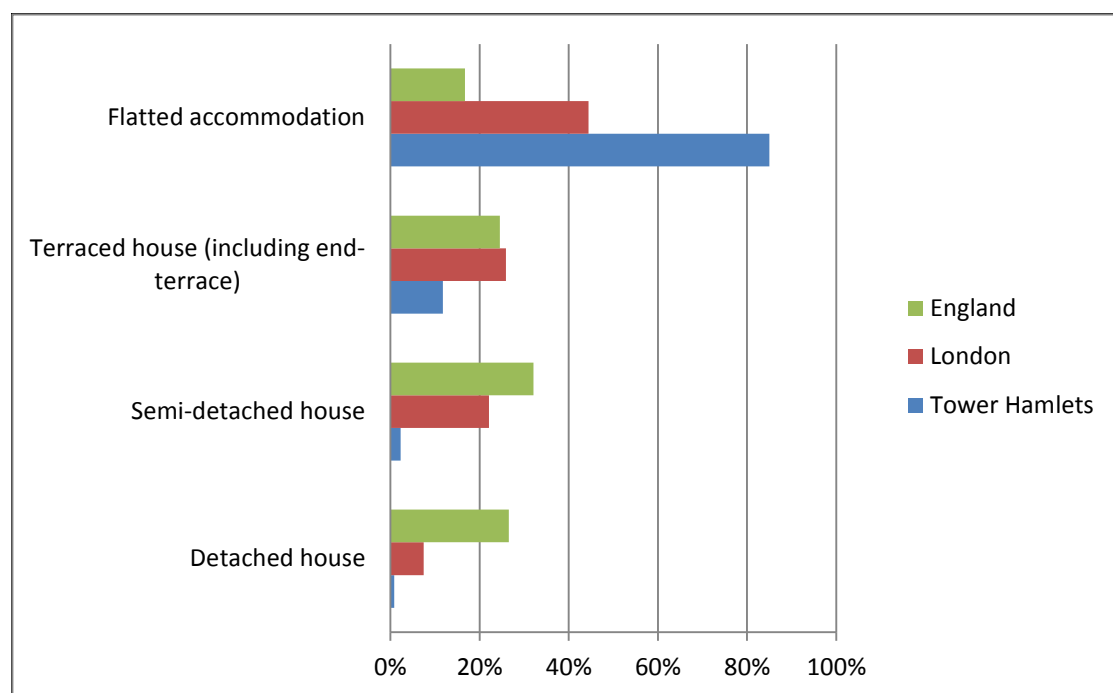
Reflecting the extent of residential development in the borough the survey also confirmed that around 37% of private sector housing has been built since 1990. This compares to 12.6% across the rest of the country.

**Table 17: Private sector stock by Age**

Dwelling Age	No.	%
<1919	14,465	22
1919-1944	5,860	9
1945-1964	7,680	11
1965-1980	6,706	10
1981-1990	7,900	12
1990+	24,598	37
<b>Total</b>	<b>67,209</b>	<b>100</b>

Source: Private Sector Stock Condition Survey, 2011

**Diagram 8: Private Sector Homes by Property Type.**

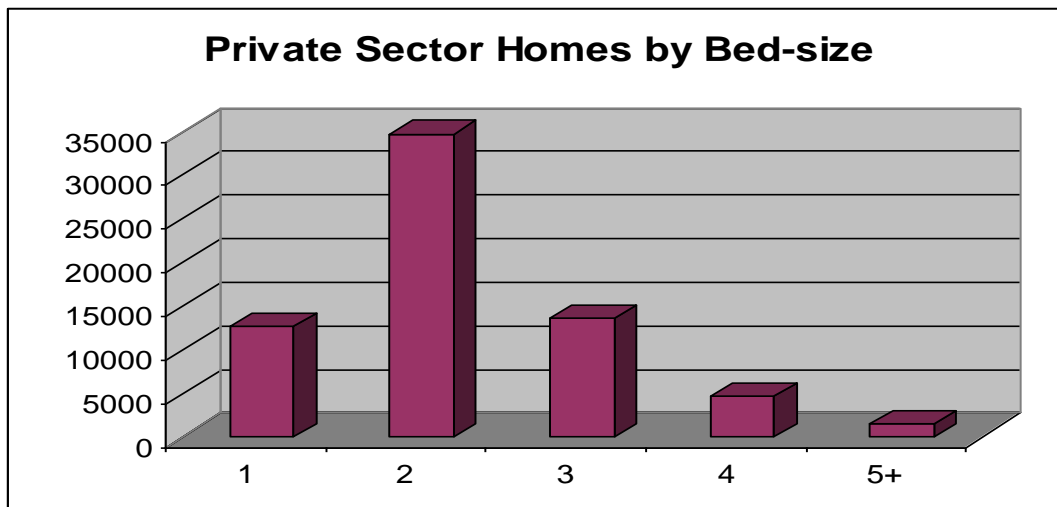


Source: 2011 Census

The Borough's private sector stock is predominately flatted with 85% of all private sector homes are flats compared to an average across England of 70%, and 70% of all private sector homes are smaller bedsits or studios and one or two bedroom homes.



**Diagram 9: Private Sector homes by bedroom size**



Source: Private Sector Stock Condition Survey, 2011

**Table 18: Private sector Dwellings by Tenure**

Dwelling Tenure	No.	%
Owned mortgage	18,655	27.8
Owned Outright	6,684	9.9
Private rented	41,870	62
<b>Total</b>	<b>67,209</b>	<b>100</b>

Source: Private Sector Stock Condition Survey, 2011

However, although the number of homes built in the Borough has increased rapidly since 1990, there is evidence that the level of home ownership is in decline. Only 38% of those in the private sector own their own home and 62% are now privately rented.

There are potentially four different private rented markets in Tower Hamlets:

- *Market one – High end new build* - made up of predominately new build homes bought by investors and professional landlords, these properties are professionally rented in single or shared occupancy.
- *Market two – HMOs* – HMOs in the borough which can be categorised as follows:
  - Ex RTB family HMO – e.g. one family per room. With a lack of affordable homes, welfare reform and increasing private sector rents, it is likely that many households will adopt this tenure to remain in Tower Hamlets;
  - Ex RTB young person’s HMO – with changes in the benefit rules for 25’s to 34 year old, it is probable that more of these lets will; develop; and
  - Student lets.

The Stock condition Survey identifies that these homes have the highest level of hazard failure and disrepair.

- *Market three* – Standard assured and assured short hold tenancies. These properties are mainly self-contained family homes. Many of these households have been housed with the assistance of the council, either placed as homeless households or supported into accommodation through a rent deposit or rent guarantee scheme. Changing benefit rules mean that many of these tenancies may be at risk. In addition these homes are becoming increasingly occupied by young professionals sharing the accommodation in order to meet the increasing rental costs in the borough.
- *Market four* – 1977 Rent Act tenancies. While the number of these tenancies has dwindled as residents have died or moved to supported accommodation, there are still a few remaining in the borough.

## **2.2 Future Housing Supply**

As set out in the London Plan, the Mayor recognises the pressing need for more homes in London to meet the growing population. The 2013 London SHMA estimated a need for 48,840 new homes to be built between 2015 and 2035, of which 48% should be market homes, 32% social rent or affordable, and 20% intermediate.

To ensure London boroughs' contribute to the supply of housing, the London Plan sets out the annual housing targets for each Borough until 2025 as a minimum level for delivery, as set out in the Core Strategy. Tower Hamlets ten year (2015-2025) housing delivery target is 39,314 which equates to 3,931 per year and 9% of the London target, this means Tower Hamlets has the highest housing target of any London Borough.

These targets have been informed by the London Plan evidence base – 2014 Strategic Housing Market Assessment (SHMA) and the Strategic Housing Land Availability Assessment (SHLAA).

## Residential Development Projections

### Expected Growth

The Borough is expecting significant residential development growth over the next ten years.

Clearly, the levels of delivery will be dependent upon macroeconomic circumstances although this is arguably a slightly conservative estimate.

Tower Hamlets has the highest housing target of any London Borough. **On average, 3,931 homes are required to be delivered every year – this is 9% of all homes in London.** Assuming all other London Boroughs meet their housing target, which is an ambitious assumption, Tower Hamlets is projected to deliver at least 11.2% of all housing units in London up to 2025/26. It is likely that in reality this proportion will be much higher.

The expected levels of development will result in significant increases to the population of the borough. It is expected that the population will grow by 93,000 to 2025/26, reaching a level of 381,000.

### Challenges

There are significant challenges to managing the unprecedented levels of expected growth. One significant challenge will be to deliver the infrastructure required to support development. The Council will need to deliver 3 – 4 new secondary schools, 6 or 7 new primary schools, at least 8 new primary healthcare facilities as well as new libraries, open spaces, transportation and connectivity infrastructure, new community facilities and sustainability and waste management infrastructure. The Council will not have enough funding to support the new infrastructure required to ensure the expected growth is sustainable.

The Council is keen to hear how Central Government may be able to help with the delivery of the new infrastructure and whether it would be appropriate for the Borough to be considered as a special case for funding assistance by the newly formed National Infrastructure Commission.

## Student accommodation

There has been intense pressure for London to accommodate more student bedspaces for the increasing number of students in the capital. According to data published by Higher Education Statistics Agency (HESA) there are now 359,990 students in London. This trend has also been mirrored in Tower Hamlets with the numbers of students increasing 71% from 17,666 in 2001 to 30,162 in 2011.

Private developers have responded to this demand. There are now 74,000 student bedspaces in London.<sup>7</sup> After Camden and Islington, Tower Hamlets has the 3<sup>rd</sup> largest proportion of student bedspaces in the capital, accommodating 12% the stock (approximately 7,000 bedspaces). Much of the accommodation being delivered is by private operators and not by the two Universities, Queen Mary and London Metropolitan, located in the Borough. LBTH completions data revealed 693 student bed spaces were completed in 2013/14, a significantly large increase on 2012/13. Analysis published by Drivers Jonas Deloitte's in December 2012, in the London Student Housing 2012 Crane Survey suggests that a fifth of all student accommodation under construction in London is in Tower Hamlets.

## 2.3 Housing Costs

### Rent

- Lower quartile rents in the borough are £365 per week for a two bedroom and £462 for a three bedroom flat. The weekly Local Housing Allowance rate for a family needing two bedrooms is £302.33, and for three bedrooms it is £354.46.
- The median rent for a room in a Tower Hamlets shared flat or House in Multiple Occupation is £147 per week. Single people under 35 have a weekly Local Housing Allowance of £102.99.
- Median rents have increased by around a quarter in the last five years, to £1430 pcm (£330 pw) for one bedroom and £1750 pcm (£403.85 pw) for two bedroom flats.
- As of 2013, very nearly half of all households in Tower Hamlets have an annual income less than £30,000.
- From autumn 2016 a workless family with children will receive benefits of no more than £384.62 per week to cover rent and living expenses.
- In spite of market conditions, the Council's Housing Options and Assessment service were able to incentivise private landlords to let to 30 low-income households facing homelessness in 2015-16.

---

<sup>7</sup> University of London, Student Accommodation Survey 2015

## Housing Benefit

There are 9,621 council properties in the borough where housing benefit is paid., There are 20,992 non-council properties paid for by housing benefit. Housing benefit is claimed for 4,299 of properties in the private rented sector.

## Incomes

44% of households in Tower Hamlets are in income poverty. Table 19 outlines the mean, median and modal household incomes for those living in the Borough.

**Table 19:**

Type	Income Level
<i>Borough Median household income - equivalised data</i>	£29,896
<i>Borough Modal household income- equivalised data</i>	£17,500
<i>Borough Mean household income - equivalised data</i>	£38,999
<i>Borough Median household income - un equivalised data</i>	£30,379
<i>Borough Modal household income- un equivalised data</i>	£12,500
<i>Borough Mean household income - un equivalised data</i>	£38,644

**Source:** 2016 CACI Pay check data

**Note:** The data for household income from CACI is for all households not just for those in work, they do not make the distinction between those in work and those not.

The difference between the two sets of data in table 19 is that the equivalised data has been adjusted for household size.

The equivalisation process takes a couple living with no children as a reference point and adjusts the incomes of larger households downwards relative to this benchmark (i.e. assumes that a higher income would be needed for a larger household to have the same standard of living). The incomes of smaller households are adjusted upwards relative to the reference household type, recognising that the same income would allow smaller households a better standard of living.

## Strategic Housing Market Assessment 2014

The London Borough of Tower Hamlets Strategic Housing Market Assessment 2014 (SHMA) has been undertaken at a time of considerable change, both locally and nationally. The SHMA highlights the complexity of understanding housing need in a relatively dynamic housing market. Key drivers such as the local economy, complex population change and the need to support growth in the local economy – all these factors interact to make the establishment of objectively assessed housing need a significant challenge.

The SHMA has considered various factors regarding the housing needed in Tower Hamlets; critically, it has updated the current evidence base on population and households and considered the impact of wider Market Signals. From this, the SHMA has derived an objectively assessed housing need to inform housing and planning policies.

### Summary Findings 2014 SHMA

Attached are two extracts from the report:

- Executive summary which provides more background and the final total of the objectively assessed need which totals **2,569** dwellings per annum/57,400 over 24 years.
- Extract from the sections on the tenure mix required which is set out as follows:

Housing Type	Number of Dwellings
Market Housing	18,900
Intermediate affordable housing	2,500
Social rented housing*	36,600
Total housing requirements	57,400
	<b>%</b>
Market Housing	32.8%
Intermediate affordable housing	4.4%
Social rented housing*	62.8%

Source: Tower Hamlets Council Data

\*Social rented need includes housing provided to rent from LAs and Registered Social Landlords, Affordable Rent with housing benefit support and housing benefit supported private rented accommodation at 2011 levels;

	Market	Intermediate	Social rented	Total
<b>1 bedroom</b>	1,800	1,400	11,500	14,600
<b>2 bedroom</b>	5,200	300	9,900	15,300
<b>3 bedroom</b>	8,400	400	11,400	20,100
<b>4 bedroom</b>	3,600	500	3,400	7,400
<b>Total</b>	18,900	2,500	36,600	57,400

## Housing Needs Survey

### The Survey Overview

Opinion Research Services (ORS) was commissioned by The London Borough of Tower Hamlets to undertake a Housing Needs Survey (HNS) with households in Tower Hamlets.

The HNS was conducted via face to face interviewing and captures households' current housing and future housing needs and aspirations. The purpose of the survey is to assist Tower Hamlets Council in planning housing and other community services in the borough.

The results in this report are based on a survey of around 600 face to face interviews conducted from a sample of Tower Hamlets residents. Interviews were achieved between 7th July and 21st September 2014 with the main or joint homeowner or tenant. Quotas were set on age, gender and working status in order to achieve a cross-section of responses.

The survey contained questions on the following topics:

- » Current Housing Arrangements;
- » Housing History
- » Future Housing Aspirations
- » Economic and Financial Status
- » Owner occupiers
- » Renters
- » Profiling Information

### Key Headlines

#### Current Housing

- The majority of housing in Tower Hamlets is flats, apartments or maisonettes (86.9%), of which 79.9% are purpose built. Houses (12.8%) and bungalows (0.3%) make up only a modest proportion of the overall stock.
- In terms of the number of rooms or bedrooms available for use, owner occupiers are more likely to have three bedrooms or more. Social renters are more likely to have two bedrooms than other tenures, while there are more private renters with one bedroom than other tenures.
- The most significant problems associated with the home are related to heating and damp. Many respondents had an issue with damp (c.43%) or mould (c.41%). There are also issues with cold (42%) and over 20% had difficulty paying their fuel bills.
- Almost 80% of respondents are satisfied with their homes, while c.12% are dissatisfied. The levels of satisfaction are lowest among social renters (20% either very or fairly dissatisfied) and highest among owners (90% either very or fairly satisfied).

## The Area

The most common problem respondents see locally is rubbish (30+% see it as either a fairly or very big problem) followed closely by young people hanging around (c.30%). Other issues include drug use/dealing, people being drunk/rowdy and noisy neighbours/parties. The least problematic issue was abandoned cars (c.6%)

## Housing History

- Overall, nearly 60% of the respondents had lived in Tower Hamlets more than 5 years. This number was highest among social renters (80%+) and lowest among private renters (c.25%). Private renters are also significantly more likely to have lived in the area for less than a year (27%). Overall, this indicates a relatively more mobile population of those who rent privately and a more stable social renting population.
- In terms of the length of time in the current home, social renters are again more settled with over 65% having lived in their present home for more than 5 years. Private renters again are more mobile, with over 65% having lived in their present home less than 3 years and 35% less than 1 year.
- In terms of the respondents' previous address, the highest was abroad (46.2%) while 27.9% had previously lived in Tower Hamlets. Only 8.4% came from outside London but within the UK.
- When previous tenure and current tenure were compared, the survey showed those who rented privately were more likely to rent privately again. Most owners either privately rented or lived rent free in their previous home. Similarly, those who social rent their current home were more likely to have had a social rented home previously.

## Future Housing Aspirations

- There were many different reasons among those respondents who expect to move in the next two years. However, the most common reasons were the size of the current home and the need for a better environment.
- Most respondents who expect to move in the next two years expect to stay in Tower Hamlets (46%) or London (a further 25%). 20% expect to move elsewhere in the UK while 10% expect to move abroad. When tenure is considered, more owners and private renters expect to move abroad than social renters. More social renters expect to stay in Tower Hamlets (60%), while only 17% of owners do.
- The main reasons for moving away from Tower Hamlets are related to both affordability (21.6%) and the need for family support (21.7%). However, the range of reasons is varied and 35% of respondents gave 'other' reasons.
- Interestingly, most respondents expect to keep their current tenure when they move; e.g. 85% owners, 86% social renters. However, 30% of private renters expect to become owners when they move.



- Many respondents would prefer to have more bedrooms when they move. This is especially so where they have one bedroom now – most would like two bedrooms when they move. However, the following figure shows how people are prepared to be pragmatic when setting their preference against what they would accept.
- There is relatively close alignment between tenures in terms of aspirations or need to move home in the next two years.
- In terms of where households expect to move, Council tenants are more likely to want to stay within their neighbourhood or Tower Hamlets (76%) compared with Housing association (62%) or All households (46%). Interestingly, more HA or All Households aspire to move abroad.

### **Economic and Financial Status**

- Most survey respondents were working either full or part time (54%). If other forms of employment are considered, this figure rises to 59.3%.
- 49% of respondents work in Tower Hamlets and a further 38% in London, while 10% had no one specific location. The proportion of homeworkers is 10%. When tenure is considered, slightly more owners work at home, while more private renters work elsewhere in London. Social renters are slightly more likely to work in Tower Hamlets.
- Commuting times show that almost 95% of those working have a journey of under one hour to get to work. Social renters have the longest journey with 10% having to travel over an hour to get to work and a further 21% between 45 minutes and an hour. Owners have the shortest journey with 66% taking less than 30 minutes to get to work.
- Incomes vary considerably among respondents and partners; over 29% have less than £15,000 pa, while over 50% have less than £30,000 pa. However, Tower Hamlets also has some significant incomes; over 15% of respondents have incomes over £60,000 pa). 25% of households included other income earners not including the respondent to the survey or their partner.
- 18% of households said their rent or mortgage was either extremely difficult to manage or putting a strain on their budget. In tenure terms, those social renting were more likely to be under strain while owners were more likely to find mortgage payments manageable.

### **Owner Occupiers**

- Three quarters of owners had bought their property with a mortgage; however, there is evidence of support for purchase beyond borrowings and savings – 19.4% of buyers had help from family/friends, while 1.2% received an inheritance.
- Market values of homes reveal how property prices have risen in Tower Hamlets; many homes are now valued at £1m+ (6.9%) while 32% were over £0.5m. Very few properties are valued below £200,000 (5.7%).

## **Renters – Social and Private**

- Survey responses highlight how social rent is lower than private rent; while almost 60% of social renters pay less than £500 pcm, only 18% of private renters do so. 25% of private renters pay over £1,500 pcm while a further 18% pay over £1,000.
- Only 2.9% of private rented respondents receive Housing benefit (HB) in full, with 11.3% receiving HB in part. However, 40% of social renters get full HB, with a further 31% getting part HB.
- The impact of Welfare Reform has been felt more by social renters (26%) than other tenures (private rent 10%; owners 6%).
- There are some Ethnic groups who are more likely to be in the Private Rented Sector, particularly the White other group, but also Black, and, to a lesser extent, Asian Indian and Chinese.

## **Current Housing Conditions**

- When compared by tenure, the White and Asian ethnic groups have the highest proportions of owner occupation (c.30% for both groups). The Black population of Tower Hamlets were least likely to be owner occupiers (c.6%). Those most likely to be living in social housing are Mixed (47%), Black (42%) and Asian (35%).

## **Current Housing Circumstances**

- The survey indicates that there are significant differences between older and non-older households in their housing tenure.
- Over 50% of 'All older' households own their home either outright or on a mortgage. Over 40% are renting in the social sector while only c.2% rent in the Private Rented Sector. Households with no older members are more likely to be renting in the private rented sector although roughly the same number own as the All Older group.
- It can be seen that 'All older' households have the lowest levels of incomes of the groups with almost 70% having incomes of less than £10,000 while 'None older' have the highest levels of income.
- This has implications for the quality of the housing stock: repair bills can be unaffordable to those on lower incomes, and the quality of the home may decline over time.

## **Health Problems**

- The household survey also indicated that over 50% of both all older households and 36% of Some older households have at least one member suffering from a self-reported health problem (Figure 149). This compares with c.25% of households which have no older members.

- Other health problems that were cited included hearing impairment, mental health, blindness, being older, dementia and learning difficulties.
- Care and Support Needs shows that of the household members with a health problem, 54% were able to care for themselves while the remaining 46% needed some form of care or support. 10.3% needed permanent 24 hour care or support.
- Most of the households (55%) which contained someone who had a health problem were renting an affordable home – 39.4% from the Council, 15.9% from a housing association. However, nearly a third are renting privately (31.8%). Only 13% own their own home and are therefore responsible for their own adaptations.

### **Household Survey Data for People with Support Needs**

- The survey respondents were asked about health issues for their households. The questions were designed to discover if the household contained anyone who was suffering from long-term health problems and to assess the impact of any health problems on the housing and care needs of that household.
- In the 2011 Census<sup>14</sup> around 35% of all households in Tower Hamlets said that their day to day activities were limited by a long term health problem or disability. It should be noted that some of the households contained more than one individual with health issues.
- The main problems identified by the survey were conditions which substantially limit one or more basic physical functions such as walking, climbing stairs or lifting.
- When Disability and Illness are considered, Council tenants are noticeably more likely to have Health problems (49%) or perceive themselves as having Poor or Very Poor health (31%). Housing association tenants have slightly better perceptions (35% and 22% respectively).

This page is intentionally left blank

## 2016-21 Tower Hamlets Housing Strategy Building new homes and communities

### Full Equality Assessment (EA)

#### Section 1: General Information

##### 1a) Area of Activity – Housing

LBTH Housing Strategy 2016 - 2021

##### 1b) Service area

Strategy, Sustainability and Regeneration  
Development and Renewal Directorate

##### 1c) Service Head

Mark Baigent – Service Head, Strategy, Sustainability and Regeneration (Interim)

##### 1d) Name and role of the officer/s completing the EA

Martin Ling – Housing Strategy Manager  
Aaron Cahill – Housing Strategy Project Manager  
Marc Lancaster - Private Sector Housing Policy Officer  
Tom Scholes-Fogg – Housing Policy Officer

## Section 2: Information about Housing Strategy and the EA

### 2a) In brief please explain what the assessment involves

The 2016-21 Housing Strategy sets out the strategic housing priorities for the borough over the next 4+ years. Housing is a top priority for the Mayor of Tower Hamlets. The Strategy document is designed to set out the direction of travel for the council's future approach to deliver the vision that is identified.

The lack of decent, quality, affordable housing is the major challenge the council and its residents and stakeholders currently face. Despite the borough being the top deliverer of affordable housing in the country, we need to continue to build more homes, but at a price that people can afford. We need to ensure that the homes available to us are allocated fairly and that we explore all options necessary to meet housing need. This strategy focuses also on the standard of private rented housing and how we can improve it as it is now the largest segment of the housing market. This broader vision to our approach is set out in the Tower Hamlets Partnership Community Plan 2015. The Community Plan themes focus on making the borough:

- A great place to live
- A fair and prosperous community
- A safe and cohesive community
- A healthy and supportive community.

To deliver the housing aspects of our vision in the Community Plan this housing strategy seeks to ensure that:

- there are housing choices for all sections of our diverse community
- the homes people live in are in a decent condition, warm, and weathertight
- the most vulnerable people's housing needs are met in a fair and inclusive way
- all homes are in safe, prosperous and thriving areas
- our response to housing issues is measured and achieves value for money

To deliver this vision, we have broken down our approach into four broad themes, identifying the challenges and setting out how we're going to meet them.

The themes are:

- Delivering affordable housing, economic growth, and regeneration
- Meeting people's housing needs
- Raising private rented housing standards
- Effective partnership working with residents and stakeholders.

Under each of the headings there are a number of policy actions, totalling 33 in all which are detailed in the strategy and identified to help deliver the vision.

### **Delivery Theme 1 – More affordable housing, economic growth and regeneration**

The context for this delivery theme is as follows: housing need continues to be at a very high level. As of April 2016, there were 19,124 households on the Common Housing Register seeking suitable accommodation for their needs, including homeless people; people living in overcrowded accommodation; and people with severe health and/or disability issues. In tandem with this, the borough is continuing to experience high housing growth with Tower Hamlets expected to contribute a minimum of 39,310 new homes, approximately 10 per cent of the London housing target, by 2025.

Given that there are presently 121,000 homes in the borough, this is housing growth of nearly a third of the stock presently located in the borough. Employment projections published by the GLA estimate the number of jobs in the borough will almost double, increasing by 169,000, between 2010 and 2031 to 379,000. Despite this The borough is likely to become more polarised between an increasingly wealthy home owning or renting group and a reducing group of residents in affordable housing or subsidised housing). With that is a continuing need to regenerate large areas of the borough, sometimes including estate redevelopment, which ideally should increase the amount of affordable housing; widen housing choice; and deliver wider regeneration outcomes. The challenge of this delivery theme is to calibrate economic growth and regeneration outcomes from housing-led investment to generate positive outcomes for the protected groups identified in this Equalities Impact Assessment (EA) that will help lessen the prospect of further polarisation amongst the Tower Hamlets community.

## **Delivery Theme 2 - Meeting people's housing needs**

Maintaining a high supply of new affordable housing and tackling homelessness are a core theme of this strategy, it's as important that the homes available are allocated on a fair, inclusive and transparent way. Due to the continuing high demand for affordable and other forms of suitable accommodation, the council has to think innovatively about how to meet this demand. This also means considering housing options outside the borough and also using private rented accommodation to meet its homelessness duties.

Particular attention is given to people with both physical and mental health needs and what kind of accommodation is suitable for such applicants to live independently, or with some onsite or floating support (meaning support provided through regular visits), based on what their assessed housing and health needs are. There are also other specific areas of housing needs such as those of older and younger people and gypsies and travellers which the council needs to adopt approaches to which are covered in this section.

## **Delivery Theme 3 - Raising private rented housing standards**

The context for this delivery theme is as follows:

One of the most significant housing changes in the past decade has been the growth of the private rented sector and the decline of both owner occupation and social renting. In Tower Hamlets, between 2001 and 2011 owner occupation declined in terms of relative tenure share by 2.4 percentage points and social rent by 12.9 percentage points. Private renting increased by 15.3 percentage points, by April 2014 accounting for around 39% of the housing stock compared to 31% across the whole of Inner London and 18% across the UK. Owner occupation is particularly low in Tower Hamlets, at just 27% - including only 7% who own outright - compared to 64% in the UK, half of whom own outright.

More than a third (37%) of the borough's privately-rented housing was built after 1990. In general, this new-build housing is relatively expensive, well-managed and let in single or shared occupancy. A proportion is let on a short-term basis including to financial-sector employees in Canary Wharf.



However, many private sector homes in the borough are in poor condition and poorly managed. A fifth of privately rented homes do not meet decent homes standards, and around 29% of vulnerable households in the private sector live in non-decent housing.

A significant number of former council homes bought under the right to buy are now let to private tenants. Tower Hamlet Homes estimate that around 50% of properties sold under Right to Buy are now privately rented. In some instances this has led to serious overcrowding and anti-social behaviour such as noise nuisance, fly-tipping, and drug-related criminal behaviour on estates owned by the council and its housing associations partners.

Most private landlords have small portfolios: around 89% of landlords are private individuals, accounting for 71% of all PRS dwellings, with 78% of all landlords owning a single dwelling for rent – 40% of the total stock. Only 5% of landlords were companies, accounting for 15% of PRS stock.

A minority of private landlords and agents deliberately profit from leaving their tenants to live in rundown, unsafe, or overcrowded properties, or intimidate and threaten tenants.

Median rents have increased by around a quarter in the last five years making the private rented sector unaffordable for many Tower Hamlets residents. This is particularly acute in workless households dependent on increasingly inadequate levels of housing benefit. In spite of this, the sector provides a significant amount of accommodation used by the council to meet housing need.

#### **Delivery Theme 4 - Effective partnership working with residents and stakeholders**

The context for this delivery theme is to facilitate greater partnership working between the council's residents and the broader stakeholder environment. Ultimately, the success of the housing strategy and the actions identified are largely dependent on successful partnership working with residents, housing associations, the Greater London Authority and private sector partners. This section seeks to unpack who the key relationships need to be with and what outcomes should be sought. In the context of this EA, a key challenge is to ensure that protected groups are engaged with and meaningful efforts are made to access difficult to reach groups.

## Community Profile

The following statistics illustrate the diversity of the population of Tower Hamlets and these statistics have helped inform the conclusions reached in this assessment. An in depth evidence base has also been produced to support the development of the Housing Strategy.

- The population of Tower Hamlets was estimated to be 295,200 as at June 2015.
- This represents an increase of around eleven thousand people over the year - a percentage increase of 3.9 per cent – the second largest percentage rise in England & Wales, after the City of London (+8.5 per cent).
- Over the decade to 2015, the Tower Hamlets population has increased by 38.3 per cent – the largest increase in of all local authority areas in England and Wales.
- Of the borough's population increase over the last year (+11,200): around a third was due to natural change, which is the difference between births and deaths. The remaining 69 per cent was due to a positive net migration flow, driven by international migration.
- Tower Hamlets has relatively high levels of population mobility or 'turnover'. Population turnover rates capture the size of the population flows in and out of the borough each year, relative the size of its population. In 2014/15 the turnover rate was 224 per 1000 population – the 11th highest rate in England and Wales, and 9<sup>th</sup> highest in London.
- Tower Hamlets has a relatively young age structure, characterised by a high proportion of young adults. Almost half of all borough residents (48 per cent) are aged 20-39, significantly higher than the percentage nationally (26 per cent in England) or regionally (35 per cent), and the highest percentage of all local authority areas in England and Wales.
- Conversely, Tower Hamlets has proportionately fewer older residents compared with other areas: 9 per cent of Tower Hamlets residents are aged 60 or over, compared with 23 per cent in England & Wales and 16 per cent in London. Tower Hamlets has the lowest proportion of over 60s in England & Wales.

- The proportion of children aged under 16 in the borough population is 20 per cent - similar to that of London and nationally (20 and 19 per cent respectively).
- More than two thirds (69 per cent) of the borough's population belong to minority ethnic groups (ie not White British): 55 percent belong to BME (Black and Minority Ethnic) groups and a further 14 per cent are from White minority groups.
- The Census provides data about 18 different ethnic group populations. The borough's three largest groups are the Bangladeshi, White British and 'Other White' populations. Considered together, people from these three ethnic groups make up around three-quarters of the Tower Hamlets population.
- The Bangladeshi population makes up almost one third (32 per cent) of the borough's population – considerably larger than the proportion across London (3 percent) or England (under 1 per cent). Tower Hamlets has the largest Bangladeshi population in England.
- White British residents comprise 31 percent of the borough's population, far lower than the percentage nationally (80 per cent). Tower Hamlets has the fifth lowest proportion of White British residents in England. Newham and Brent had the lowest rates (17 and 18 per cent respectively).
- The third largest ethnic group in the borough is the 'Other White' group who comprise one in eight borough residents – close to the London average. This group is very diverse and includes residents from a mix of ethnic backgrounds (eg Europeans, Australians, Americans).
- Residents from Black ethnic groups make up 7 per cent of the population comprising: 4 per cent from Black African groups; 2 percent from Black Caribbean groups; and 1 percent from Other Black groups. Tower Hamlets has a smaller proportion of Black residents compared to the London average (7 vs. 13 per cent).

- **Disability and caring**

- The Census 2011 results showed that 13.5% of residents stated that they had a long-term health problem or disability that limited their day to day activities (34,300 residents) This is slightly lower than the regional and national rates (14.1% in London and 17.6% England)
- The 2011 Census found that 19,356 residents provided some level of unpaid care in the borough, which accounted for 7.6% of all LBTH residents. Compared with London and England averages, the provision of unpaid care in the borough is significantly skewed towards the provision of more (20+) hours. While 56.5% of those providing unpaid care do so for 19 hours per week or less, the remaining 43.5% provided 20 hours per week or more. 18.1% of carers provide 20 to 49 hours of care per week, and over a quarter provide unpaid care for 50 hours or more per week (4,915 residents).

**2b) What are the equality implications of your proposal?**

The intention is that the equality implications of the proposals set out in this document are overwhelmingly positive. It should be noted the 2016-21 Housing Strategy is in essence a 'direction of travel' document.

On adoption of the Housing Strategy the actions will provide the rationale for individual decisions. The majority of the actions will require further specific actions/permissions from the Mayor of Tower Hamlets supported by Cabinet members as they will require commitment of expenditure or direction on how existing expenditure is directed. This is particularly relevant in the context of the medium term financial strategy for the council, resources available to deliver the actions identified in this document can be expected to reduce, both from revenue and capital sources.

In addition with the continuing roll out of welfare reform, it can be expected that there will be negative impacts on the protected groups which the council is not necessarily in a position to fully mitigate.

## Recommendation

### 2c) What is the cumulative equality impact of your proposal?

The cumulative equality impacts of the 2016-21 Housing Strategy are considered to be positive. As identified in the four themes above, the council is seeking to meet a broad range of housing needs, particularly from people from disadvantaged backgrounds who historically are over-represented amongst the protected groups identified by the council. The council will need to be mindful in certain instances to ensure that positive impacts for certain protected groups do not unintentionally negatively impact on other protected groups. The council will also be seeking to mitigate the negative impacts of welfare reform on protected groups as the imposition of the Local Housing Allowance on supported housing and the £23,000 Universal Credit cap on households where there is no adult in employment means that such households are unlikely to be able to afford to live in the borough, particularly if they live in private rented accommodation.

Further assessments of individual policies which emerge from the Housing Strategy will be carried out and if any potential negative impacts are identified mitigating actions will be identified accordingly.

In Section 3 of this document the broad equality impacts on each of the protected groups each of the first three delivery themes are addressed in turn. For the final delivery theme – effective partnership working with residents and stakeholders – the council's approach will be to continue to work with residents and stakeholder groups who either represent or are from the protected groups to ensure their needs and aspirations are not negatively impacted by any of the council's housing proposals.

## Section 3: Equality Impact Assessment

Appendix 6  
Draft 2016-21 Housing Strategy  
Equality Assessment

### 1. Disability

#### Identify the effect of the housing strategy on different disability groups

*Please describe the analysis and interpretation of evidence to support your conclusion.*

#### Delivery Theme 1 - Delivering affordable housing, economic growth, and regeneration

Maintaining a sustained supply of affordable housing that meets disabled people's needs will deliver positive outcomes for disabled people. Current policy is that 10% of affordable housing should be accessible (or capable of adaptation) for people who use wheelchairs. The council is committed to delivering between 35% and 50% of new housing as affordable housing as set out in its current planning policy and therefore meeting this target will help deliver positive outcomes for this protected group.

The Strategy confirms the Council's commitment to Project 120, which was started in 2012 to address the specific housing needs of families with a wheelchair user and other complex medical needs on the Council's Housing waiting list. The name stems from the 120 families who were on the Accessible Housing waiting list at that time.

The Council works closely with developers and housing associations to identify specific needs of a family at an early stage and identify a property in development which can then be adapted accordingly to meet that need. The project has been very successful and by April 2016, 148 families had been rehoused accordingly.

The Strategy has a commitment to work towards meeting the housing needs of people with mental illness including learning disabilities and autism and where appropriate opportunities for new build development tailored to meet this need will be considered within an overall accommodation plan for this group

#### Delivery Theme 2 - Meeting people's housing needs

The proposed changes will have a positive impact on disabled people in Tower Hamlets. The Council will continue to work with landlords and developers to assist with ensuring the needs of disabled residents are met through new build programmes and Disabled Facilities Grant for home modifications which private residents, registered providers and landlords may apply for.

The Census 2011 results showed that 13.5% of residents stated that they had a long-term health problem or disability that limited their day to day activities (34,300 residents) Data has also been collected about the extent to which the home had been built or adapted to meet the needs disabled persons and what facilities need to be provided. 10.5% of households said that their home had been adapted to meet the needs of a disabled household member.

The vulnerable adults commissioning team are developing an Accommodation Plan which will provide an overview of the accommodation available to people with learning disabilities (LD). The borough seeks to improve the overall offer of accommodation including opportunities to invest to save whilst also supporting young people to remain close to their families, friendship networks and local community. We expect the number of people with disabilities and long term conditions, for example, dementia, autism, to grow and people are likely to live for longer with these health conditions. The Children and Disabilities Joint Strategic Needs Assessment (JSNA) for the borough states that the number of children with special educational needs (SEN) and disabilities is higher than both London and England averages. It is therefore likely that the demand for accessible housing will increase and the design of new local housing needs to reflect that. Taken with the longer term broad objective of relocating people with learning disabilities currently located outside the borough back into Tower Hamlets, this will increase demand for suitable accommodation, often on the ground floor.

### **Delivery Theme 3 - Raising private rented housing standards**

Private renters in the borough tend to be in better health than residents in other tenures. In 2011, 6% of Tower Hamlets residents identified themselves as being in bad or very bad health. Only 1.9% of private renters class themselves as being in poor health. 4.1% of owner occupiers including those living in shared ownership class themselves as being in poor health. Residents with bad or very bad health disproportionately live in social rented housing – in 2011, 10.1% of social renters identified themselves as having bad or very bad health. On the other hand, 35% of households living in private rented accommodation have a disabled resident.

The Housing Strategy aims to refresh the private sector housing renewal policy, improving partnership working and coordination with the Better Care Fund. The refresh aims to provide more customer focused services, to reduce hospital admissions and to enable people to return from hospital more quickly. The refresh also aims to broaden access to the Disabled Facilities Grant, improving the quality of life for people living with limiting disabilities by providing aids and adaptations at home.

The Private Sector Housing Strategy refocuses resources and powers, including around licensing, on the environmental health team. This focus aims to improve conditions in the privately rented housing in the borough, in particular dealing with conditions that cause ill health. Improving physical standards and the quality of management in the PRS will deliver social and health benefits. The links between poor health through damp and mould and overcrowding are well established. The strategy will have a positive impact on disabled households.

The adoption of the 2016-21 Housing Strategy is expected to have a positive impact on this protected group.

<p><b>2. Gender reassign - ment</b></p> <p><i>Identify the effect of the restructure on different gender groups (inc Trans) groups</i></p> <p><i>Please describe the analysis and interpretation of evidence to support your conclusion.</i></p>	<p><b>Will the change in your policy/service have on people who have had their gender reassigned or are undergoing gender reassignment?</b></p> <p>There is no evidence to suggest or reason to believe that people with reassigned gender will be disproportionately affected by the Housing Strategy. Rather, the aim of improving housing conditions in the borough will be of benefit to this group to the same extent as others.</p> <p><b>Delivery Theme 1 - Delivering affordable housing, economic growth, and regeneration</b></p> <p><b>Theme 1, Delivering affordable housing, economic growth, and regeneration is</b> not expected to have either a negative or positive impact on people who have transitioned or are transgender.</p> <p><b>Delivery Theme 2 - Meeting people’s housing needs</b></p> <p><b>Theme 2 - Meeting people’s housing needs</b> is not expected to have either a negative or positive impact on people who have transitioned or are transgender</p> <p><b>Delivery Theme 3 - Raising private rented housing standards</b></p> <p><b>Theme 3 - Raising private rented housing standards</b> is not expected to have either a negative or positive impact on people who have transitioned or are transgender</p> <p>The adoption of the 2016-21 Housing Strategy is expected to have a <b>neutral</b> impact on this protected group.</p>
--	---



<p><b>3. Pregnancy and maternity</b></p> <p><i>Identify the effect of the housing strategy on women who are pregnant or in maternity</i></p> <p><i>Please describe the analysis and interpretation of evidence to support your conclusion.</i></p>	<p><b>Will the change in your policy/service have an adverse impact on women who are pregnant or in maternity?</b></p> <p>There is no evidence to suggest or reason to believe that women who are pregnant or in maternity will be disproportionately affected by the Housing Strategy. Rather, the aim of improving housing conditions in the borough will be of benefit to this group to the same extent as others.</p> <p><b>Delivery Theme 1, Delivering affordable housing, economic growth, and regeneration</b></p> <p>Theme 1, Delivering affordable housing, economic growth, and regeneration is not expected to have either a negative or positive impact on women who are pregnant or in maternity</p> <p><b>Delivery Theme 2 - Meeting people’s housing needs</b></p> <p>Theme 2 - Meeting people’s housing needs is not expected to have either a negative or positive impact on women who are pregnant or in maternity</p> <p><b>Delivery Theme 3 - Raising private rented housing standards</b></p> <p>Theme 3 - Raising private rented housing standards is not expected to have either a negative or positive impact on women who are pregnant or in maternity</p> <p>The Council have consulted widely in developing the strategy including with members of the Tower Hamlets Parent and Carer Council.</p> <p>The adoption of the 2016-21 Housing Strategy is expected to have a <b>neutral</b> impact on this protected group.</p>
--	---

<p><b>4. Race</b></p> <p><i>Identify the effect of the housing strategy on different race groups including ethnic or national origins, colour and nationality</i></p> <p><i>Please describe the analysis and interpretation of evidence to support your conclusion.</i></p>	<p><b>Will the change in your policy/service have an adverse impact on race groups including ethnic or national origins, colour and nationality?</b></p> <p>The council has actively involved ethnic minority communities in consulting on the 2016-2021 housing strategy. Such consultation has involved holding events at idea stores, consulting people in markets across the borough and attending Friday prayers.</p> <p><b>Delivery Theme 1 - Delivering affordable housing, economic growth, and regeneration</b></p> <p>Ethnic minority households in the borough are disproportionately in more housing need in the borough with nearly 70% of applicants on the common housing register being from black and minority ethnic communities. Bangladeshi families represent nearly 55% of those on the list compared to a borough population of 33%. A high proportion of these households are overcrowded and require larger family homes.</p> <p>The Housing Strategy reflects the current local plan target of 45% of new affordable homes being family size in order to meet this need from this community.</p> <p><b>Delivery Theme 2 - Meeting people's housing needs</b></p> <p>Ethnic minority households in the borough are disproportionately affected by homelessness, as is the case regionally. In 2015/16 80% of households accepted as homeless were from BME groups. However, ethnic minority groups account for nearly 70% of the borough's population.</p>
---	---

**4. Race  
(cont/...)**

*Identify the effect of the housing strategy on different race groups including ethnic or national origins, colour and nationality*

*Please describe the analysis and interpretation of evidence to support your conclusion.*

Bangladeshi households are, by far, more likely to be homeless than any other ethnic group in the Borough. Though only accounting for 30% of the population, 59% of households accepted as homeless in 2015/16 are Asian. Black households in the borough are also disproportionately affected by homelessness when compared to the population as a whole. Black households make up 16% of households accepted as homeless, but represent 7% of the Borough's population.

The Tower Hamlets Strategic Housing Market and Needs Assessment (SHMA) found that BME households are, on average, larger and more likely to be overcrowded. The Housing allocations scheme gives a high priority for overcrowded families and the changes to the policy set out in the new strategy do not change this priority banding.

In addition the Council has an agreed overcrowding reduction plan which sets out a number of actions and initiatives to reduce overcrowding including encouraging under-occupiers to properties more suitable to their needs.

On the needs of Gypsies and travellers, council officers will liaise in order to ensure gypsy and traveller needs are fully considered in the housing strategy and set out in the local plan to be adopted in late 2017.

**Delivery Theme 3 - Raising private rented housing standards**

The Council's Private Housing Strategy aims to benefit all private tenants. Inevitably, this will disproportionately benefit those groups over-represented in the private sector - white people from non-British backgrounds and people of Chinese heritage. However, there is no evidence or reason to believe that this will disadvantage other groups. Specific actions proposed by the strategy will benefit minority groups.

White people from non-British backgrounds are significantly over-represented in the PRS: these groups represent 30.2% of private renters in the borough but just 14.5% of the total population. Nearly two thirds of white people from non-British backgrounds in Tower Hamlets - 64.8% - live in the private rented sector.

People of Chinese heritage are also significantly over-represented, forming less than 2% of the population but 5% of private renters. Nearly half of people with Chinese ethnicity in Tower Hamlets – 49.6% - live in the private rented sector.

Other ethnic groups are under-represented. White British people make up 35.5% of private renters in the borough but 40.8% of the population. Overall, BAME communities represent 34.25% of private renters in the borough but 42.4% of the total population. 34.3% of Tower Hamlet's BAME population and 20.4% the borough's white British

<p><b>4. Race (cont/...)</b></p> <p><i>Identify the effect of the housing strategy on different race groups including ethnic or national origins, colour and nationality</i></p> <p><i>Please describe the analysis and interpretation of evidence to support your conclusion.</i></p>	<p>Owner occupiers are disproportionately white: 68.5% of owner-occupies are white. Most of these are British: just 12.4% of home owners are from non-British white backgrounds. whilst those groups make up 14.5% of the population.</p> <p>Conversely, whilst the BME communities make up over 70% of the population, they represent just 31.6% of owner-occupiers. 11.6% owner-occupiers are of Bangladeshi heritage. Around 70% of households with a Black household reference person are social renters.</p> <p>Some actions aim to benefit specific excluded groups. The Council's engagement with agents and landlords will include a focus on mitigating the impact of the Immigration Act 2015's "right to rent" requirements in order to try to prevent discrimination against BAME and new migrant groups. A number of actions - notably licensing - aim to engage directly with landlords to improve standards. This is likely to be of particular benefits to tenants who do not have English as a first language and are therefore less likely to report their landlords for breach of standards: a quarter of households in Whitechapel and Spitalfields and Banglatown, where the licensing scheme is focused, do not have English as a first language. The Council have consulted widely in developing the strategy including with Praxis service users.</p> <p>Overall, the adoption of the 2016-21 Housing Strategy is expected to have a <b>positive</b> impact on this protected group.</p>
--	--

**5. Religion or belief**

*Identify the effect of the housing strategy on people who have religious views or beliefs using the prompts above*

*Please describe the analysis and interpretation of evidence to support your conclusion.*

**Will the change in your policy/service have on people who have religious views or beliefs?**

Tower Hamlets has the highest percentage of Muslim residents in England and Wales – 38 per cent compared with a national average of 5 per cent. Conversely, the borough has the lowest proportion of Christian residents nationally: 30 per cent compared with a national average of 59 per cent. The council is aware of the high percentage of Muslim residents particularly of Bangladeshi heritage in the borough and is aware they suffer from particular aspects of housing need such as acute over-crowding. Section 4 on race sets out the issues covered within the housing strategy which relate to this group

**Delivery Theme 1 - Delivering affordable housing, economic growth, and regeneration**

Theme 1 - Delivering affordable housing, economic growth, and regeneration **will** generally have a neutral effect on people who have religious views or beliefs. It should be noted that there can be positive impacts in certain instances if new places of faith are built as part of wider regeneration projects.

**Delivery Theme 2 - Meeting people’s housing needs**

Theme 2 - Meeting people’s housing needs will generally have a neutral effect on people who have religious views or beliefs

**Delivery Theme 3 - Raising private rented housing standards**

With the exception of Muslims and people of no religion, the representation of different faith and belief groups in the private rented sector reflects Tower Hamlets’ broader demographic very closely. 34.9% of the borough’s population but just 17.1% of private renters identify themselves as Muslim; and 19.0% of the population but 30.3% of private renters say they have no religion.

There are no reasons to believe that any aspect of the housing strategy negatively affects any religious or belief group. There are reasons to believe that the strategy of engagement with agents and mitigation of the impact of the Immigration Act 2015’s “right to rent” requirements will have a positive impact on Muslim residents.

<p><b>5. Religion or belief (cont/...)</b></p> <p><i>Identify the effect of the housing strategy on people who have religious views or beliefs using the prompts above</i></p> <p><i>Please describe the analysis and interpretation of evidence to support your conclusion.</i></p>	<p>Immigration Act 2015's "right to rent" requirements will have a positive impact on Muslim residents.</p> <p>The adoption of the 2016-21 Housing Strategy is expected to have a <b>neutral</b> impact on this protected group.</p>
--	--

<p><b>6. Sex</b></p> <p><i>Identify the effect of the housing strategy on women using the prompts above</i></p> <p><i>Please describe the analysis and interpretation of evidence to support your conclusion.</i></p>	<p><b>Will the change in your policy/service have an adverse impact on women?</b></p> <p>Most areas of the housing strategy will have a neutral impact on women as most areas of the strategy are gender neutral. However a high proportion of single parents in housing need will be women and women are more likely to be affected by domestic violence.</p> <p><b>Delivery Theme 1 - Delivering affordable housing, economic growth, and regeneration</b></p> <p>Theme 1 - Delivering affordable housing, economic growth, and regeneration will generally have a neutral effect on women</p> <p><b>Delivery Theme 2 - Meeting people’s housing needs</b></p> <p>Theme 2 - Meeting people’s housing needs will generally have a neutral effect on women</p> <p><b>Delivery Theme 3 - Raising private rented housing standards</b></p> <p>Theme 3 - Raising private rented housing standards will generally have a neutral effect on women</p> <p>The adoption of the 2016-21 Housing Strategy is expected to have a <b>neutral</b> impact on this protected group.</p>
---	---

**7. Sexual Orientation**

*Identify the effect of the housing strategy in relation to people who are lesbian, gay or bisexual using the prompts above*

*Please describe the analysis and interpretation of evidence to support your conclusion.*

**Will the change in your policy/service have an adverse impact on lesbian, gay or bisexual people?**

It is widely recognised that issues related to sexuality and sexual identity can play a key role in the onset of homelessness (Crisis, 2005). Research by the Albert Kennedy Trust in 2015 shows that LGBT young people are more likely to find themselves homeless than their non LGBT peers, comprising up to 24% of the youth homeless population. Further, 69% of LGBT homeless youth have experienced familial rejection, abuse and violence; and homeless LGBT youth were also much more likely than their heterosexual counterparts to participate in substance abuse and fall prey to sexual exploitation on the streets. Only 2.6% of the housing services surveyed by Albert Kennedy Trust acknowledged the unique needs of homeless LGBT young people and had services to meet these needs.

Hard data on older LGBT people is less easily available: indeed it is of concern that 30% of agencies still fail to monitor sexual orientation or gender identity. Homeless Link estimated in 2010 that 7 per cent of clients using homelessness services were LGBT.

2010 data collected by Stonewall shows that from 760 callers to their helpline 73 were sleeping rough, 44 were in hostels, refuges or night shelters and 104 sofa surfing. For under 25s the number of people who were street homeless, or sofa surfing increased.

Work by the charity Polari highlights the difficulties faced by older GLBT individuals, particularly as they find themselves forced to adapt to new housing arrangements including living in sheltered accommodation and long term residential or nursing facilities

Whilst there is no reason to believe that residents of any sexuality will be disadvantaged by the proposals set out in the housing strategy, the Council and its partners will need to be mindful of the needs of this group particularly in relation to the provision of services to single homeless people



**7. Sexual Orientation**

Identify the effect of the housing strategy in relation to people who are lesbian, gay or bisexual using the prompts above

Please describe the analysis and interpretation of evidence to support your conclusion.

**Delivery Theme 1 - Delivering affordable housing, economic growth, and regeneration**

Theme 1 - Delivering affordable housing, economic growth, and regeneration will have a neutral impact on lesbian, gay or bisexual people

**Delivery Theme 2 - Meeting people's housing needs**

Theme 2 - Meeting people's housing needs will have a neutral impact on lesbian, gay or bisexual people

**Delivery Theme 3 - Raising private rented housing standards**

Theme 3 - Raising private rented housing standards will have a neutral impact on lesbian, gay or bisexual people

<p><b>8. Marriage and Civil Partnerships</b></p> <p><i>Identify the effect of the housing strategy in relation to people who are married or in civil partnership using the prompts above</i></p> <p><i>Please describe the analysis and interpretation of evidence to support your conclusion.</i></p>	<p><b>Will the change in your policy/service have an adverse impact on people who are married or in civil partnerships?</b></p> <p>The 2011 census states that 22.4% of the borough’s households contain married or civil partners, 9.5% cohabiting couples. In the private rented sector, couples are disproportionately unmarried: 15.3% are married or civil partners whereas 13.5% are not. Owner occupiers are disproportionately married or civil partners: 26.2% rather than 11.6%.</p> <p>People who are married or in civil partnerships are treated in the same way as single people in term of housing need and there is no evidence to suggest that any aspect of the housing strategy will have an adverse impact on this group</p> <p><b>Delivery Theme 1 - Delivering affordable housing, economic growth, and regeneration</b></p> <p>Theme 1 - Delivering affordable housing, economic growth, and regeneration will have a neutral impact on people who are married or in civil partnerships?</p> <p><b>Delivery Theme 2 - Meeting people’s housing needs</b></p> <p>Theme 2 - Meeting people’s housing needs will have a neutral impact on people who are married or in civil partnerships?</p> <p><b>Delivery Theme 3 - Raising private rented housing standards</b></p> <p>Theme 3 - Raising private rented housing standards people needs will have a neutral impact on people who are married or in civil partnerships?</p> <p>There is no reason to believe that either married couples, civil partners or cohabiting couples will be disadvantaged by the private sector housing strategy.</p> <p>The adoption of the 2016-21 Housing Strategy is expected to have a <b>neutral</b> impact on this protected group.</p>
--	--

<p><b>9. Age</b></p> <p><i>Identify the effect of the housing strategy in relation to people who are from certain age groups using the prompts above</i></p> <p><i>Please describe the analysis and interpretation of evidence to support your conclusion.</i></p>	<p><b>Will the change in your policy/service have an adverse impact on people from certain age groups?</b></p> <p><b>Please describe the analysis and interpretation of evidence to support your conclusion.</b></p> <p><b>Delivery Theme 1 - Delivering affordable housing, economic growth, and regeneration</b></p> <p>The Council aims to deliver a range of affordable housing to meet the needs of the whole community including families with young children, older persons and younger adults who have yet to form long term households but wish to live in the borough. The Local Plan sets out affordable housing requirements across a range of bedroom sizes in order to provide a balanced approach to meeting a range of needs from people at different stages in their life.</p> <p><b>Delivery Theme 2 - Meeting people’s housing needs</b></p> <p>The council recognises that people are living longer and often do not have housing choices that enable them to move to more appropriate sized accommodation that meets their needs. The Cabinet adopted an older persons’ housing needs statement in April 2013, and has been proactive in ensuring the needs of older residents are met.</p> <p>The 2011 Census revealed that Tower Hamlets was the home to 24,300 people over the age of 60. The council recognises that the housing needs of older people are different in that one 65-year-old may be fit and healthy, and be able to live an independent life, whilst another 65-year-old may be unwell and restricted, thus have to live in sheltered accommodation.</p> <p>It is estimated that the number of people over 65 in the Borough will increase by approximately 26% between 2016 and 2026. In 2016 8.2% of the borough’s population consisted of those over 60, this will increase to 8.4% in 2021, 9.1% in 2026, 10.2% in 2031, and 11.3% in 2036. The 2011 Census revealed that 65% of older people in the Borough have a long-term illness. The Council is developing an Ageing Well strategy that will be designed to include a holistic approach to meeting the changing housing needs of elderly people.</p> <p>Conversely younger people are more likely to be impacted by homelessness and the Strategy sets out a range of response to meet the needs of this group through housing advice, hostel provision and advocacy.</p>
--	--

**9. Age**

**Identify the effect of the housing strategy in relation to people who are from certain age groups using the prompts above**

**Please describe the analysis and interpretation of evidence to support your conclusion.**

of measure to help meet the needs of this group.

Will the change in your policy/service have an adverse impact on people from certain age groups?

Conversely younger people are more likely to be impacted by homelessness and the Strategy sets out a range of response to meet the needs of this group through housing advice, hostel provision and advocacy.

**Delivery Theme 3 - Raising private rented housing standards**

Tower Hamlets is a relatively young borough – 39% of the population were aged between 20 and 34 in 2011. The younger the resident, the more likely they are to live in the private rented sector. In 2014, three in five young adult households were private renters, the largest share of any age group. Since the Council’s Private Housing Strategy aims to benefit all private tenants, younger people will disproportionately benefit. However, there is no reason to believe that older age groups will be disadvantaged. Indeed, changes proposed in the strategy to partnership working around Disabled Facilities Grant and the Better Care Fund are likely to directly and disproportionately benefit older people.

Two thirds of Tower Hamlets adults aged 24 and under (65.6%) live in the private rented sector. That proportion falls for each successive age group, until just 6.8% of the over 65s rent privately. 68.3% of private renters in Tower Hamlets are aged under 35; just 2.2% of private renters are aged 65 and over.

Age group	% of group live in PRS	% of PRS are in this group
24 and under	65.6	15.1
25-34	54	53.2
35-49	25.9	24.4
50-64	10.6	5.1
65 and over	6.8	2.2

<p><b>Age (cont/...)</b></p> <p><i>Identify the effect of the housing strategy in relation to people who are from certain age groups using the prompts above</i></p> <p><i>Please describe the analysis and interpretation of evidence to support your conclusion.</i></p>	<p>Rates of home ownership are lowest in the youngest and oldest age groups: 10.1% of residents aged under 25, and 27.4% aged 65 and over, are owner-occupiers. Just 3% of owner occupiers in the borough are aged under 25.</p> <p>The strategy entails refreshing the Council's private sector housing renewal policy to set out the approach, including to partnership working and the Better Care Fund, over the 2016-21 years. The strategy aims to provide more customer focused services, to reduce hospital admissions and to enable people to return from hospital more quickly. In 2015-2016, 133 residents aged over 65 received Disabled Facilities Grant, 57.1% of the total number of grants given. Whilst it should be noted that this is a lower proportion than nationally - 71% of grants go to people over the age of 60 – this will clearly have a disproportionately positive impact on older people.</p> <p>Older people going into care often have to sell their homes to pay fees. The Private Sector Housing Strategy proposes developing packages to enable these people to let their homes through the Council rather than selling them.</p> <p>The adoption of the 2016-21 Housing Strategy is expected to have a <b>neutral</b> impact on this protected group.</p>
--	--

<p><b>10. Socio economic</b></p> <p><i>Identify the effect of the housing strategy in relation to people who are from low income, low wealth groups using the prompts above</i></p> <p><i>Please describe the analysis and interpretation of evidence to support your conclusion.</i></p>	<p><b>Will the change in your policy/service have an adverse impact on people who are on low incomes and have low wealth?</b></p> <p><b>Please describe the analysis and interpretation of evidence to support your conclusion.</b></p> <p><b>Delivery Theme 1 - Delivering affordable housing, economic growth, and regeneration</b></p> <p>The obvious contribution that affordable housing can make to improving socio-economic inclusion is ensuring that affordable housing costs are sufficiently low enough to allow occupiers of affordable housing for rent and ownership to have sufficient disposable income to make work pay and/or ensure people have income left over to meet other subsistence costs. Key to that is aligning economic growth and regeneration outcomes deliver employment opportunities for local people living in disadvantaged areas of the borough.</p> <p><b>Delivery Theme 2 - Meeting people’s housing needs</b></p> <p>The demographics of Tower Hamlets are very mixed. This is a diverse borough and one in which there is a high level of poverty. According to council data 44% of households are in income poverty and struggle to pay for basic bills such as gas, electricity and water.</p> <p>The changes to the allocations scheme require the council to set aside 1% of lets to rehouse social housing tenants who want to move for employment reasons. These changes came into effect in April 2015. The Lettings Plan will be amended to add social workers as key workers in order to improve recruitment and retention in the borough.</p> <p>For those working people in the borough who don’t qualify for social housing or are struggling to afford to rent in the private rented sector, it is proposed in the housing strategy that an intermediate housing register is developed. This would mean rents are above social rents but no less than 20% less than market rents. LBTH data shows there are an estimated 2,800 intermediate housing units in the Borough.</p> <p>LB Tower Hamlets must comply with this law; however as of September 2016 the Government has not yet published regulations stating how this law will be implemented. The legislation will result in households earning more than £40,000 in London to pay more rent if they want to remain living in social housing. This rent increase is estimated to be an extra 15 pence for every £1 earned in salary.</p>
---	--

<p><b>10. Socio economic (cont/...)</b></p> <p><i>Identify the effect of the housing strategy in relation to people who are from low income, low wealth groups using the prompts above</i></p> <p><i>Please describe the analysis and interpretation of evidence to support your conclusion.</i></p>	<p><b>Delivery Theme 3 - Raising private rented housing standards</b></p> <p>Housing is a key factor shaping poverty in London, with high poverty rates associated with high housing costs, and a notable shift towards poverty in the private rented sector. Housing costs make a significant difference in all wards across Tower Hamlets, with child poverty <i>after</i> housing costs around 13 to 16 percentage points higher than before housing costs.</p> <p>Poverty is concentrated among renters in London, with just under a half of social renting households and two in five private renting households in poverty in 2013/14, compared to around one in six owner occupiers.</p> <p>Tower Hamlets is highly deprived on the barriers to housing and services domain. In terms of the average LSOA score measure, Tower Hamlets is ranked 4th most deprived out of 326 areas in England on this domain, after Newham, Waltham Forest and Brent. Almost two thirds (62 per cent) of the borough's LSOAs fall within the ten per cent most deprived in England on this domain – the second highest proportion nationally, after Newham (where 84 per cent of LSOAs are highly deprived).</p> <p>The private rented sector consists of different markets catering to different socio-economic groups. Residents on medium and low incomes are entirely excluded from accommodation with higher levels of rent.</p> <p>However, median rents have increased by around a quarter in the last five years making the private rented sector unaffordable for many Tower Hamlets residents. This is particularly acute in workless households dependent on increasingly inadequate levels of housing benefit.</p> <p>Only about 10% of housing benefit claimants live in the private rented sector. Of these, in 2015 more than half were in work. Private tenants are less likely in general to be in poverty in Inner than Outer London, both because it is too expensive for most people in poverty to continue to rent privately, and because the larger social housing stock means more of the poor are housed in social housing.</p>
--	---

<p><b>10. Socio economic (cont/...)</b></p> <p><i>Identify the effect of the housing strategy in relation to people who are from low income, low wealth groups using the prompts above</i></p> <p><i>Please describe the analysis and interpretation of evidence to support your conclusion.</i></p>	<p>The housing strategy aims to make private rented housing more accessible to lower income groups by maximising the number of landlords willing to let to homeless households and low-income households nominated by the Council. Its impact here is positive for poorer residents.</p> <p>Whilst the English Housing Survey suggests that, nationally, satisfaction with accommodation is broadly similar for private renters of different income groups, the lowest quality accommodation objectively is let to tenants who have the lowest income.</p> <p>The strategy aims to develop the borough’s licensing schemes, and to give greater focus and resource to enforcement activity, in order to improve housing conditions in the sector. Around 29% of vulnerable households living in private sector live in non-decent housing. Much of the strategy aims at improving conditions in the cheapest housing – including houses in multiple occupation - and therefore it is these financially and socially excluded households that will benefit most.</p> <p>It is arguable that in such a buoyant private rented market working with landlords to improve conditions will drive up rents even further, disadvantaging and ultimately driving out poorer residents. There is no evidence to confirm this. The strategy aims to bring housing up to a minimum acceptable standard in order to realise the Council’s commitment to ensuring that the homes people live in are in a decent condition, warm, and weathertight.</p> <p>The adoption of the 2016-21 Housing Strategy is expected to have a <b>positive</b> impact on this protected group.</p>
--	--



**Section 4: Equality Impact Assessment Action Plan**

**Please list in the table below any adverse impact identified and, where appropriate, steps that could be taken to mitigate this impact.**

If you consider it likely that your proposal will have an adverse impact on a particular group (s) and you cannot identify steps which would mitigate or reduce this impact, you will need to demonstrate that you have considered **at least one alternative** way of delivering the change which has less of an adverse impact.

Adverse impact	Please describe the actions that will be taken to mitigate this impact
None	

**If an adverse impact cannot be mitigated please describe an alternative option, its costs and the equality impact.**

Alternative option	

## Section 5: Future Review and Monitoring

**Please explain how and when the actual equality impacts of the Housing Strategy will be reviewed and monitored.**


The implementation of the 33 policy actions set out in the Housing Strategy will be monitored and reviewed quarterly / three times a year. As part of that process, the equality impacts of the policy actions will be monitored, particularly when more detailed proposals are put forward (and individual EAs developed) and implemented.

### APPENDIX A: Equality Impact Assessment Test of Relevance

TRIGGER QUESTIONS	YES / NO	IF YES PLEASE BRIEFLY EXPLAIN.....
Does the Strategy reduce resources available to address inequality?	No	
<b>CHANGES TO A SERVICE</b>		
Does the Strategy alter access to the service?	No	The Strategy covers a range of services, many of which will be reshaped over the lifetime of the strategy in order to achieve the efficiencies that the Council has to achieve by 2020.  Changes to specific service areas and the impact on access will be considered in more detail through individual restructure or policy plan changes.
Does the Strategy involve revenue raising?	No	The Strategy does not propose any specific revenue raising proposals

Does the Strategy alter who is eligible for the service?	No	The Strategy does not propose any changes to eligibility for services
Does the change involve a reduction or removal of income transfers to service users?	No	
Does the change involve a contracting out of a service currently provided in house?	NO	
<b>CHANGES TO STAFFING</b>		
Does the change involve a reduction in staff?	No	<p>The Strategy covers a range of services, many of which will be reshaped over the lifetime of the strategy in order to achieve the efficiencies that the Council has to achieve by 2020.</p> <p>Changes to specific service areas and the impact on access will be considered in more detail through individual restructure or policy plan changes</p>
Does the change involve a redesign of the roles of staff?	NO	<p>The Strategy covers a range of services, many of which will be reshaped over the lifetime of the strategy in order to achieve the efficiencies that the Council has to achieve by 2020.</p> <p>Changes to specific service areas and the impact on access will be considered in more detail through individual restructure or policy plan changes</p>

This page is intentionally left blank

Decision Report Cover Sheet:  <b>Council</b>  5 December 2016	
<b>Cover Report of:</b> Matthew Mannion, Committee Services Manager	<b>Classification:</b> Unrestricted
<b>Mid - Year Review and Activities of Treasury Management Strategy and Investment Strategy for 2016/17</b>	

<b>Originating Officer(s)</b>	Matthew Mannion, Committee Services Manager (Cover Report)
<b>Wards affected</b>	All Wards

**Summary**

The Mid - Year Review and Activities of Treasury Management Strategy and Investment Strategy for 2016/17 report was presented to the Audit Committee on 8 November 2016. The Committee reviewed the report and agreed that it should be recommended to Council for consideration.


The Report and Appendices are attached to this Cover Sheet.

**Recommendations:**

The Council is recommended to note:

1. The treasury management activities and performance against targets for the six months to 30 September 2016.
2. The Council's investment balance of £406.85m as at 30 September 2016 of which £131.62m was invested with money market funds (MMF) and £105m invested with UK Banks and Building Societies as set out in Appendix 1 to the report.
3. The Council's position on prudential indicators as set out in Appendix 2 to the report.

This page is intentionally left blank

Non-Executive Report of the:  <b>AUDIT COMMITTEE</b>  8 <sup>th</sup> November 2016	 <b>TOWER HAMLETS</b>
<b>Report of:</b> Zena Cooke, Corporate Director of Resources	<b>Classification:</b> Unrestricted
<b>Mid - Year Review and Activities of Treasury Management Strategy and Investment Strategy for 2016/17</b>	

<b>Originating Officer(s)</b>	Bola Tobun, Investment & Treasury Manager
<b>Wards affected</b>	All wards

## Summary

This report reviews progress on the Treasury Management and Investment Strategy that was approved by Full Council on 24 February 2016 as prescribed by the Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice on Treasury Management (Revised 2011).

The report reviews how the Treasury Management team has managed the Council's cash balances, investments, borrowings and treasury related risks. The report also sets out the economic environment and how this has impacted on investment returns.

The key messages from this report are that:

- All treasury management activities were executed by authorised officers within the parameters agreed by the Full Council.
- All investments were made to counterparties on the Council's approved lending list and within agreed limits.
- There was no short-term or long-term borrowing raised during the period to 30 September 2016.
- From the beginning of financial to 30 September 2016, the Council earned an average investment return of 0.77% on short term lending, outperforming the rolling average 7 Day LIBID rate of 0.29%.

## Recommendations

The Audit Committee is asked to recommend the report to the Council:

To Note -

- The treasury management activities and performance against targets for the six months to 30 September 2016.

- The Council's investment balance of £406.85m as at 30 September 2016 of which £131.62m was invested with money market funds (MMF) and £105m invested with UK Banks and Building Societies as set out in Appendix 1.
- The Council's position on prudential indicators as set out in Appendix 2.

## **1. REASONS FOR DECISIONS**

- 1.1 The Local Government Act 2003 and the Local Authorities (Capital Financing and Accounting) Regulations 2003 requires that regular reports be submitted to Council/Committee detailing the council's treasury management activities.
- 1.2 The Council also agreed as part of the Treasury Management Strategy Statement to receive a number of reports. Furthermore, the CIPFA Treasury Management Code of Practice requires that Full Council/Committee should receive a Mid-Year Report reviewing Treasury Management/Investment.

## **2. ALTERNATIVE OPTIONS**

- 2.1 The Council is bound by legislation to have regard to the CIPFA Treasury Management (TM) Code. The Code requires that the Council should receive a mid-year report reviewing treasury management and investment.
- 2.2 If the Council were to deviate from those requirements, there would need to be some good reason for doing so. It is not considered that there is any such reason, having regard to the need to ensure that Members are kept informed about treasury management activities and to ensure that these activities are in line with the investment strategy approved by the Council

## **3. DETAILS OF REPORT**

- 3.1 The Chartered Institute of Public Finance and Accountancy's (CIPFA) Code of Practice on Treasury Management (revised November 2011) has been adopted by the Council.
- 3.2 One of the requirements of the Code is that Full Council/Committee should receive an annual Treasury Management Strategy Statement - including the Annual Investment Strategy and Minimum Revenue Provision Policy - for the year ahead, a Mid-Year Review Report and an Annual Outturn Report (stewardship report) covering activities during the previous year.
- 3.3 The Treasury Management Strategy, Investment Strategy and Minimum Revenue Provision reports were included in the Budget Pack that was presented to Full Council on 24 February 2016. The 2015/16 Outturn report was approved by Full Council on 21 September 2016.
- 3.4 This mid - year report has been prepared in compliance with CIPFA's Code of Practice, and covers the following:
  - An economic update for the first six months of 2016/17.
  - A review of the Treasury Management Strategy Statement and Annual Investment Strategy, which constitutes the following:
    - The Council's borrowing strategy for 2016/17.
    - The Council's investment strategy for 2016/17.



- The Council's investment portfolio for 2016/17.
- The Council's capital expenditure (prudential indicators).
- A review of compliance with Treasury and Prudential Limits for 2016/17.

### **3.5 AN ECONOMIC UPDATE FOR THE FIRST SIX MONTHS OF 2016/17**

- 3.5.1 UK GDP growth rates in 2013 of 2.2% and 2.9% in 2014 were strong but 2015 was disappointing at 1.8%, though it still remained one of the leading rates among the G7 countries. Growth improved in quarter 4 of 2015 from +0.4% to 0.7% but fell back to +0.4% (2.0% y/y) in quarter 1 of 2016 before bouncing back again to +0.7% (2.1% y/y) in quarter 2. The referendum vote for Brexit in June this year delivered an immediate shock fall in confidence indicators and business surveys, pointing to an impending sharp slowdown in the economy.
- 3.5.2 The Bank of England meeting on August 4th addressed this expected slowdown in growth by a package of measures including a cut in Bank Rate from 0.50% to 0.25%. The Inflation Report included an unchanged forecast for growth for 2016 of 2.0% but cut the forecast for 2017 from 2.3% to just 0.8%.
- 3.5.3 The Inflation Report also included a sharp rise in the forecast for inflation to around 2.4% in 2018 and 2019. CPI has started rising during 2016 as the falls in the price of oil and food twelve months ago fall out of the calculation during the year and, in addition, the post referendum 10% fall in the value of sterling on a trade weighted basis is likely to result in a 3% increase in CPI over a time period of 3-4 years. However, the MPC is expected to look thorough a one off upward blip from this devaluation of sterling in order to support economic growth, especially if pay increases continue to remain subdued and therefore pose little danger of stoking core inflationary price pressures within the UK economy.

### **3.6. INTEREST RATE FORECASTS**

The Council's treasury advisor, Capita Asset Services, has provided the following forecast:

	Dec-16	Mar-17	Jun-17	Sep-17	Dec-17	Mar-18	Jun-18	Sep-18	Dec-18	Mar-19	Jun-19
<b>Bank rate</b>	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.25%	0.25%	0.25%	0.25%	0.50%
<b>5yr PWLB rate</b>	1.00%	1.00%	1.10%	1.10%	1.10%	1.10%	1.20%	1.20%	1.20%	1.20%	1.30%
<b>10yr PWLB rate</b>	1.50%	1.50%	1.60%	1.60%	1.60%	1.60%	1.70%	1.70%	1.70%	1.70%	1.80%
<b>25yr PWLB rate</b>	2.30%	2.30%	2.40%	2.40%	2.40%	2.40%	2.50%	2.50%	2.50%	2.50%	2.60%
<b>50yr PWLB rate</b>	2.10%	2.10%	2.20%	2.20%	2.20%	2.20%	2.30%	2.30%	2.30%	2.30%	2.40%

- 3.6.1 Capita Asset Services undertook a quarterly review of its interest rate forecasts after the MPC meeting of 4th August cut Bank Rate to 0.25% and gave forward guidance that it expected to cut Bank Rate again to near zero before the year end. The above

forecast therefore includes a further cut to 0.10% in November this year and a first increase in May 2018, to 0.25%, but no further increase to 0.50% until a year later.

- 3.6.2 The overall longer run trend is for gilt yields and PWLB rates to rise, notwithstanding gently. An eventual world economic recovery may also see investors switching from the safe haven of bonds to equities. However, we have been experiencing exceptional levels of volatility in financial markets which have caused significant swings in PWLB rates. Capita PWLB rate forecasts are based on the Certainty Rate (minus 20 bps).

### **3.7 TREASURY MANAGEMENT STRATEGY STATEMENT**

- 3.7.1 The Treasury Management Strategy Statement (TMSS) for 2016/17 was approved by the Council on 24 February 2016, and it comprised the following:

- Borrowing Strategy
- Minimum Revenue Provision
- Annual Investment Strategy
- Treasury Management Policy statement; and
- Prudential Indicators for Treasury Management

- 3.7.2 The underlying TMSS approved previously requires revision in the light of economic and operational movements during the year. The proposed changes and supporting detail for the changes are set out below and attached as Appendix 2:

<i><b>Prudential Indicator</b></i>	<i><b>2016/17 Original £m</b></i>	<i><b>2016/17 Revised £m</b></i>
Authorised Limit	312.344	313.381
Operational Boundary	292.344	293.381
Capital Financing Requirement	267.344	268.381

#### **Borrowing Strategy**

- 3.7.3 The Council's approved borrowing strategy was approved by the full council 24 February 2016. The strategy remains appropriate to meet the Council's financing needs for its capital programme and loan redemptions.

#### **Debt Portfolio**

	31 March 2016 Principal £'000	Average rate %	30 September 2016 Principal £'000	Average rate %
Fixed Rate Funding:				
-PWLB	10,325	7.10	10,325	7.10
-Market	0,000		17,500	4.34
<b>Total Fixed Rate Funding</b>	<b>10,325</b>	<b>7.10</b>	<b>27,825</b>	<b>5.36</b>
Variable Rate Funding:				
-PWLB	-		-	
-Market	77,500	4.32	60,000	4.32
<b>Total Variable Rate Funding</b>	<b>77,500</b>	<b>4.32</b>	<b>60,000</b>	<b>4.32</b>
<b>Total Loans</b>	<b>87,825</b>	<b>4.65</b>	<b>87,825</b>	<b>4.65</b>

Other Long Term Liabilities	42,039		42,039	
<b>Total Borrowing</b>	<b>129,864</b>		<b>129,864</b>	
CFR	262,588		262,588	
<b>Over/ (under) borrowing</b>	<b>(132,724)</b>		<b>(132,724)</b>	

3.7.4 The table above sets out the Council's debt as at the beginning of the financial year and 30 September 2016. There is no change to outstanding balance.

3.7.5 During this financial year, two variable rate, market loans have been reclassified as fixed rate market loans. This is because on the 22<sup>nd</sup> June 2016, Barclays Bank decided to waive their right to change the applicable interest rate of loans. As a result of this waiver, the loans effectively become fixed rate loans at their current interest rates of 4.25% for the £4.5m loan with maturity date of 23/09/2077 and 4.37% for the £13m loan with maturity date of 23/09/2077. And also the risk that the rates will be changed in the future is no longer there.

3.7.6 As at the 30 September 2016, no PWLB loans (Public Works Loans Board) matures.

3.7.7 **Borrowing Requirement:** The Council has an approved borrowing requirement of £13 million towards financing the 2016/17 Capital Programme. This has changed to £14.6m.

3.7.8 Over the next three years, forecasts indicate that investment rates are expected to be below long term borrowing rates. This would indicate that value could best be obtained by avoiding new external borrowing and by using internal cash balances to finance new capital expenditure or to replace any maturing external debt. This would maximise short term savings.

3.7.9 Hence, there has been no new borrowing during the reporting period 01 April 2016 to 30 September 2016. Total debt outstanding, stands at £129.864m, against estimated CFR of £268.381m for 2016/17, resulting in an under-borrowing position of £138.517m

3.7.10 **Debt Rescheduling:** The debt portfolio is periodically reviewed to see if cashflow benefits can be obtained from rescheduling debt. In the current interest rate environment, PWLB repayment rates are generally not favourable and any rescheduling undertaken would incur a large cash penalty payment, thus limiting opportunities. The portfolio will be kept under review and advice sought from Capita Asset Services as appropriate.

3.7.11 No debt rescheduling was undertaken during the first six months of 2016/17.

### 3.8 Minimum Revenue Provision

3.8.1 The Council has a statutory requirement to repay an element of accumulated General Fund capital expenditure each year through a revenue charge known as the Minimum Revenue Provision (MRP). The Council is required to approve each year a Minimum Revenue Provision Policy Statement and make prudent provision. Revenue Provision to repay General Fund capital expenditure debt for 2016/17 is £6.7 million and has been calculated in accordance with the policy statement.

3.8.2 With regard to assets financed under the Public Finance Initiative (PFI) and finance leases that were brought on balance sheet as a result of the accounting changes brought about by the requirement to report in accordance with International Financial Reporting

Standards, mitigating regulations allow that MRP be contained within the existing revenue charge so that the effect on the General Fund is neutral.

### **3.9 Annual Investment Strategy.**

3.9.1 The Council's Annual Investment Strategy, which is incorporated in the TMSS, outlines the Council's investment priorities as follows:

- Security of capital
- Liquidity; and
- Yield

3.9.2 **Security:** The Council has in place creditworthiness criteria, which the officers had strictly adhered to when making investment decisions during the first six months of 2016/17. Monetary and duration limits are applied to manage counterparty exposure risk. Global markets have remained uncertain and the Council continues to implement an operational investment strategy which tightens the controls already in place within the approved investment strategy. Investment processes are constantly monitored and are regularly reviewed by the Investment and Treasury Manager, Chief Accountant and the Corporate Director of Resources.

3.9.3 **Liquidity:** The Council is required to have available, or have access to, adequate resources to enable it at all times to have the level of funds which are necessary for the achievement of its service objectives. Cashflow modelling is used to meet this requirement. The liquidity of the investment portfolio is monitored regularly.

3.9.4 For debt management purposes the Council has in place overdraft facilities with the Council's banker, the Royal Bank of Scotland plc, and also has access to the PWLB and the money market to fund capital projects. Internal balances are available to temporarily fund capital expenditure. Whilst this will help reduce the need to invest any surplus cash, this must be balanced against the future requirement to replace these balances, and ensure that sufficient cash is available to meet the Council's liquidity requirements.

3.9.5 **Yield:** The Council has a good record in managing its investment portfolio and seeks to obtain the best return (yield) available on its investments, but it adheres at all times to the approved investment criteria. The Council compares the return on its investments against the seven day London Interbank Bid (LIBID) rate, which is the local authority benchmark.

3.9.6 Despite the challenging investment environment, as at 30 September 2016 the return on the Council's investments was 0.77%, which compares very favourably against 0.29%, the average seven day LIBID rate for the reporting period. Officers will continue to work to maintain and strengthen the Council's investment policy and will refer back to the Full Council with any modification thought to be beneficial to the efficient and effective management of the Council's funds.

3.9.7 Credit rating information is supplied by Capita Asset Services, our treasury advisers, on all active counterparties that comply with the criteria as shown at Appendix 3. Any counterparty failing to meet the Council's criteria would be omitted from the counterparty (dealing) list. Any credit rate changes, rating watches (notification of a likely change), rating outlooks (notification of a possible longer term change) are provided to officers almost immediately after they occur and this information is considered before dealing and also used to update the counterparty list.

3.9.8 During the first six months of the year, no short-term or long-term borrowing activities but investments activities have been in line with the Strategy, with no deviations.

### 3.10 **INVESTMENT PORTFOLIO 2016/17**

- 1) In accordance with the Code, it is the Council's priority to ensure security of capital and liquidity, and to obtain an appropriate level of return which is consistent with the Council's risk appetite. In the current economic climate it is considered appropriate to keep investments short term to cover cash flow needs, but also to seek out value available in longer periods with prudently analytical selected credit rated financial institutions, using the adopted creditworthiness criteria as approved by the Full Council including sovereign credit rating overlay approach.
- 2) Investment rates available in the market have been broadly uncertain during the reporting period and have even gone lower than the previously reported low levels as a result of the MPC to cut rate to 0.25% with other extraordinary measures such as also expanding the Quantitative Easing (QE) programme to £435bn. The level of funds available for investment purposes during the year has been fluctuating between £350m £480m. These funds were available on a temporary basis, and the level of funds available was mainly dependent on the timing of precept payments, receipt of grants and progress on the Capital Programme.
- 3) The Council's budgeted investment return for 2016/17 was £2.7m, with average rate of return 0.9% for average portfolio balances of £300m.

### **Investment performance for Mid-Year ended 30 September 2016**

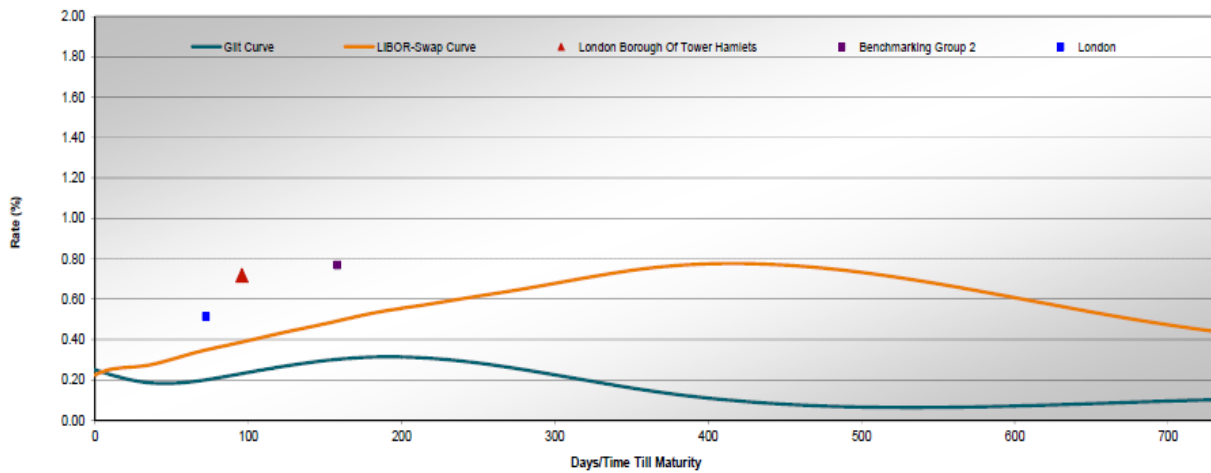
Period	Benchmark Return	LBTH Performance	Over/(Under) Performance	Investment Interest Earned £m
<b>Full Year 2015/2016</b>	0.35%	0.82%	0.47%	3.560
<b>Qtr. 1 2016</b>	0.36%	0.76%	0.40%	N/A
<b>Qtr. 2 2016</b>	0.23%	0.78%	0.55%	N/A
<b>2016/17 Year to Period</b>	0.29%	0.77%	0.48%	1.850

- 4) As illustrated above, the Council held £406.62m of investments as at 30 September 2016 and the investment portfolio yield for the first six months of the year is 0.77% against a benchmark of 0.29%, outperforming the benchmark by 48 bps. The investment interest earned as at 30<sup>th</sup> September was £1.85m; this was due to the large investment portfolio balances the Council is currently running with, the average investment portfolio balance of £416m as at 30<sup>th</sup> September 2016.
- 5) It has not been possible to re-invest matured investments at favourably rates due to the ultralow interest rate environment as Bank of England base rate is currently 0.25% with a further cut forecast at 0.10% before the calendar year end.

## INVESTMENT BENCHMARKING CLUB

- 6) LBTH participates in a benchmarking club to enable officers to compare the Council's treasury management, investment returns against those of similar authorities. The model below shows the performance of benchmark club members given the various levels of risks taken as at 30 September 2016. The Performance of Tower Hamlets is above the Model Weighted Average Rate of Return (WARoR) but below the performance of our benchmark comparators and the London benchmark.

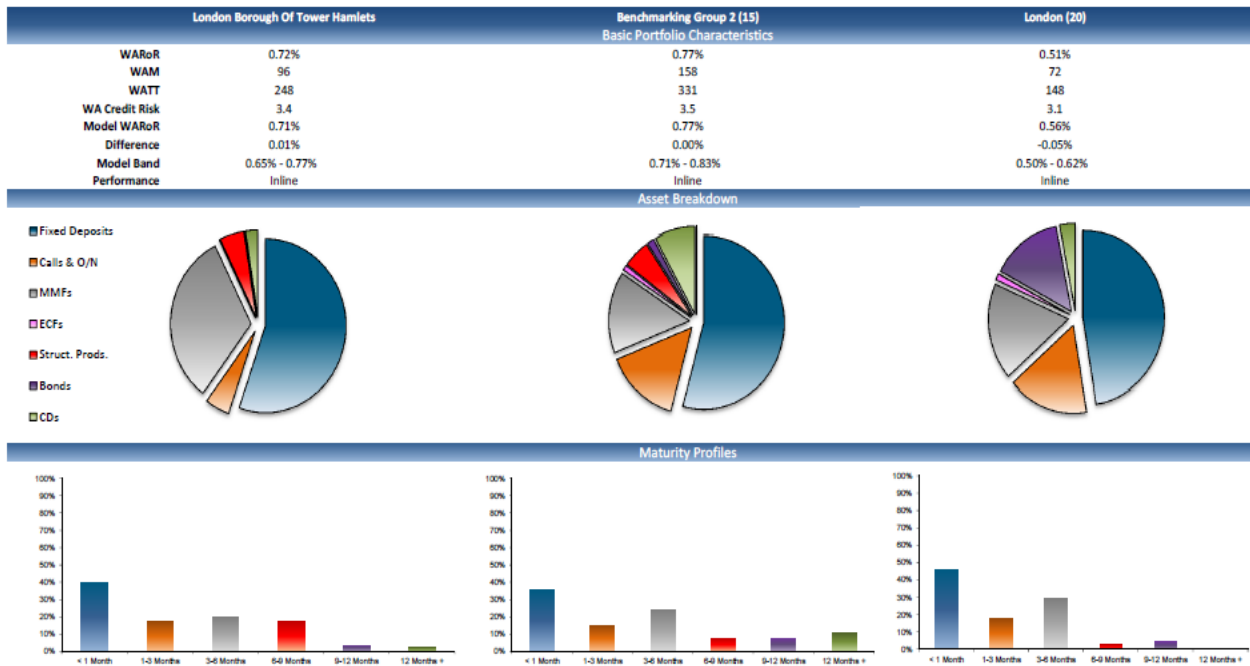
Returns Comparable Against the Risk-Free Rate and LIBOR Curve



	WARoR	WAM	WATT	WARisk	Gilt	LIBOR-Swap	Difference		Model	
							Gilt	LIBOR-Swap	Bands	Performance
London Borough Of Tower Hamlets	0.72%	96	248	3.4	0.23%	0.39%	0.49%	0.33%	0.65% - 0.77%	Inline
Benchmarking Group 2	0.77%	158	331	3.5	0.30%	0.49%	0.47%	0.28%	0.71% - 0.83%	Inline
London	0.51%	72	148	3.1	0.20%	0.35%	0.31%	0.17%	0.50% - 0.62%	Inline

## London Borough Of Tower Hamlets

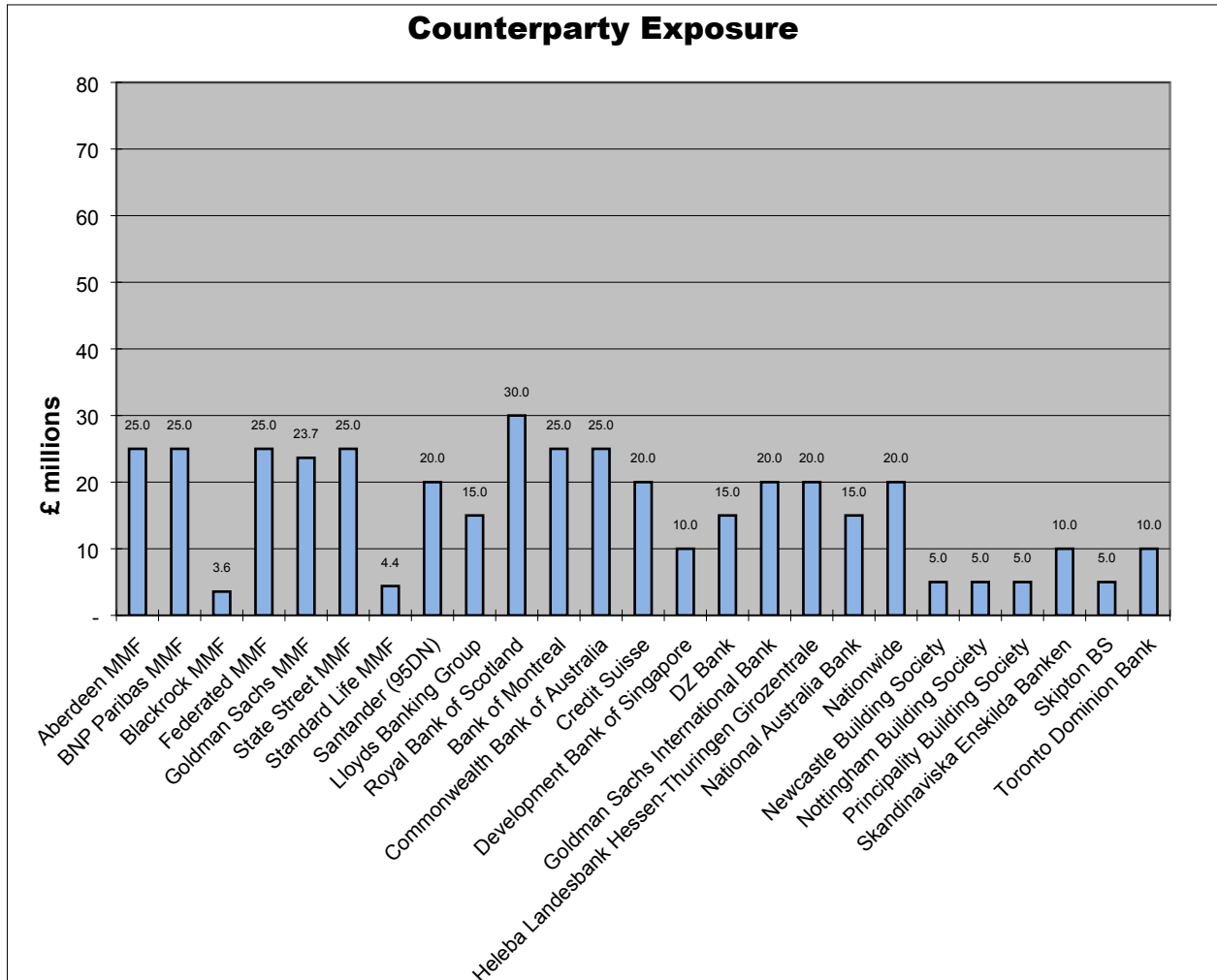
### Summary Sheet



- 7) The return on LBTH investment is commensurate with the Council's risk appetite as set out in the Investment Strategy which is reflected in the above data.
- 8) The outstanding investments of £406.62m include Pension Fund working capital of some £7.78m which is being invested and will continue to be invested in accordance with the Council's Treasury Management Strategy agreed by Full Council, under the delegated authority of the Corporate Director of Resources to manage within agreed parameters.
- 9) The table below shows the amount of investments outstanding at the end of September 2016, split according to the financial sector.

FINANCIAL SECTOR	£m	%
Banks in the UK	65.00	15.98
Building Societies in the UK	40.00	9.84
Banks in the Rest of the World	170.00	41.81
Money Market Funds	131.62	32.37
<b>Investments Outstanding as at 30/09/2016</b>	<b>406.62</b>	<b>100.00</b>

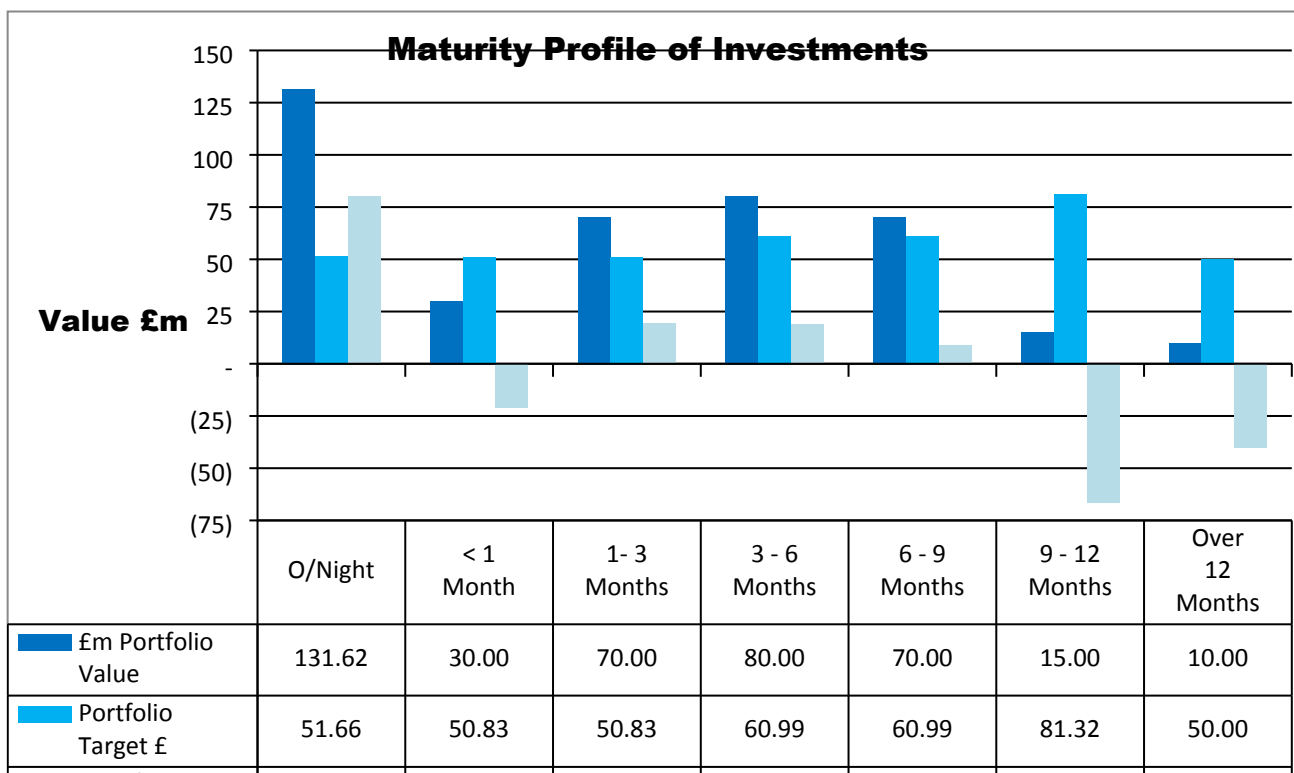
10) The below chart shows the deposits outstanding with authorised counterparties as at 30th September 2016, of which 7.38% were with part-nationalised banks (RBS Groups).



11) The chart below illustrates the maturity profile of investments at the end of September 2016 with the detailed list of investments attached as Appendix 1 of this report.



## Maturity Structure of Investments



- 12) We have £131.62m as overnight deposits, and this is essentially all Money Market Funds. The Weighted Average Maturity (WAM) for outstanding investment (excluding MMF) is 144 days for the month of September and including MMF is 96 days. This is the average number of outstanding days to maturity of each deal from 30 September 2016.
- 13) **Compliance with Treasury and Prudential Limits** - It is a statutory duty for the Council to determine and keep under review the affordable borrowing limits. The Council's approved Treasury and Prudential Indicators (affordability limits) are included in the approved TMSS.
- 14) For the financial year to reporting period the Council has operated within the treasury and prudential indicators set out in the Council's Treasury Management Strategy Statement and in compliance with the Council's Treasury Management Practices. The prudential and treasury Indicators are shown in Appendix 2.

### **General Activities Update**

- 15) UK Sovereign Rating - Standard & Poor have downgraded the UK Sovereign rating to AA from AAA with outlook remains negative, Fitch downgraded to AA from AA+ with outlook, changed to negative from stable, Moody's affirmed the rating at Aa1 with outlook changed to negative from stable. This is due to weaker economic and fiscal outlook.
- 16) In light of the recent changes in the UK sovereign rating, the Council did not exclude UK from its sovereign rating overlay criteria and still invest in UK banks and building societies. At the individual/entity level, investment counterparties still need to meet stringent criteria as laid out in the current investment strategy.

- 17) Section 7.27 of the council treasury management strategy for 2016/17, TMSS annex A, was revised at the full council meeting of September 2016, by revising the maximum nominal value of overall investments that the council should hold for more than 1 year and less than 5 years from £50m to £100m (that is Investments with maturity over a year) The prudential indicator figure of £100m was therefore approved.
- 18) The Council also changed the monetary limit and duration of investments more than one year for part nationalised bank from the original strategy limits of £25m and 3 years to £50m and 5 years duration. This is to empower the council the flexibility of placing more deposits with institution part owned by the government and be in a position to received decent return from the transaction.

### 3.11 **The Council's Capital Position (Prudential Indicators)**

3.11.1 Prudential Indicator for Capital Expenditure - This table shows the revised estimates for capital expenditure and the changes since the capital programme was agreed at February Council. The programme has been revised to take account of updated profiles; new schemes approved in-year and new capital grant receipts.

<b>Capital Expenditure by Service</b>	<b>2016/17 Original Estimate £m</b>	<b>2016/17 Revised Estimate £m</b>
<i>Adult Services</i>	5.046	7.442
<i>Children's services</i>	31.875	18.119
<i>Building Schools for the Future</i>		0.290
<i>Communities, Localities and Culture</i>	12.348	11.372
<i>Development &amp; Renewal (Excluding HRA)</i>	5.676	3.628
<i>Housing</i>	139.045	95.298
<i>Corporate General Fund Provision for Schemes under development</i>	34.000	
Total Non - HRA	89.475	77.362
HRA	138.315	92.991
<b>Total</b>	<b>227.790</b>	<b>170.353</b>

#### 3.11.2 **Changes to the Financing of the Capital Programme**

The table below draws together the main strategic elements of the capital expenditure plans, highlighting the original supported and unsupported elements of the capital programme, and the expected financing arrangements. The borrowing element of the table increases the underlying indebtedness of the Council by way of the Capital Financing Requirement (CFR), although this will be reduced in part by revenue charges for the repayment of debt (the Minimum Revenue Provision).

<b>Capital Expenditure</b>	<b>2016/17 Original Estimate £m</b>	<b>2016/17 Revised Estimate £m</b>
<b>Total Spend</b>	<b>227.790</b>	<b>170.353</b>
Financed By:		
Capital receipts	45.449	21.821
Capital Grants, Developers & SC	131.073	67.280
Major Repairs Allowance	32.860	40.160
Capital Reserves	3.400	
Revenue	2.000	23.527
<b>Total Financing</b>	<b>214.980</b>	<b>155.788</b>
Supported	0.000	0.000
Unsupported	13.010	14.565
<b>Total Borrowing Need</b>	<b>13.010</b>	<b>14.565</b>

3.11.3 Changes to the Prudential Indicators for the Capital Financing Requirement, External Debt and the Operational Boundary are detailed in the below table. The Capital Financing Requirement has been amended in line with the borrowing requirement to support the 2016/17 approved capital programme.

	<b>2015/16 Actual £m</b>	<b>2016/17 Original Estimate £m</b>	<b>2016/17 Revised Estimate £m</b>
<b>Prudential Indicator – Capital Financing Requirement</b>			
CFR – Non-HRA	192.913	187.096	186.813
CFR – HRA	69.675	80.248	81.567
Total CFR	262.588	267.344	268.381
<b>Net movement in CFR</b>		<b>4.756</b>	<b>5.793</b>
<b>Prudential Indicator – External Debt / the Operational Boundary</b>			
Borrowing	245.549	251.510	252.547
Other long term liabilities	42.039	40.834	40.834
<b>Total debt 31 March</b>	<b>287.588</b>	<b>292.344</b>	<b>293.381</b>

### **Limits to Borrowing Activity**

3.11.4 The first key control over the treasury activity is a prudential indicator to ensure that over the medium term, net borrowing (borrowings less investments) will only be for a capital purpose. Net external borrowing should not, except in the short term, exceed the total of CFR in the preceding year plus the estimates of any additional CFR for

2016/17 and next two financial years. This allows some flexibility for limited early borrowing for future years.

	<b>2015/16 Actual £m</b>	<b>2016/17 Original Estimate £m</b>	<b>2016/17 Revised Estimate £m</b>
Gross borrowing	129.864	139.780	141.335
Less investments	479.302	300.000	350.000
Net borrowing / (Investments)	(349.438)	(160.220)	(208.665)
<b>CFR (year - end position)</b>	<b>262.588</b>	<b>267.344</b>	<b>268.381</b>

3.11.5 The Corporate Director, Resources reports that no difficulties are envisaged for the current or future years in complying with this prudential indicator.

3.11.6 A further prudential indicator limits the overall level of borrowing. This is the Authorised Limit which represents the limit beyond which borrowing is prohibited, and can only be set and revised by Members. It reflects the level of borrowing which though not needed, could be afforded in the short term but unsustainable long term. It is the expected maximum borrowing need with some headroom for unexpected movements. This is the statutory limit determined under section 3 (1) of the Local Government Act 2003.

	<b>2016/17 Original Indicator</b>	<b>2016/17 Revised Indicator</b>
<b>Authorised limit for external debt</b>		
Borrowing*	292.344	293.381
Headroom	20.000	20.000
Other long term liabilities	0.000	0.000
<b>Total</b>	<b>312.344</b>	<b>313.381</b>

\* Includes PFI schemes and finance leases etc.

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

4.1 The comments of the Corporate Director of Resources are incorporated in the report.

#### **5. LEGAL COMMENTS**

5.1 The Local Government Act 2003 provides a framework for the capital finance of local authorities. It provides a power to borrow and imposes a duty on local authorities to determine an affordable borrowing limit. It provides a power to invest. Fundamental to the operation of the scheme is an understanding that authorities will have regard to proper accounting practices recommended by the Chartered Institute of Public Finance and Accountancy (CIPFA) in carrying out capital finance functions.

- 5.2 The Local Authorities (Capital Finance and Accounting) (England) Regulations 2003 require the Council to have regard to the CIPFA publication “Treasury Management in the Public Services: Code of Practice and Cross-Sectoral Guidance Notes” (“the Treasury Management Code”) in carrying out capital finance functions under the Local Government Act 2003. If after having regard to the Treasury Management Code the Council wished not to follow it, there would need to be some good reason for such deviation.
- 5.3 It is a key principle of the Treasury Management Code that an authority should put in place “comprehensive objectives, policies and practices, strategies and reporting arrangements for the effective management and control of their treasury management activities”. Treasury management activities cover the management of the Council’s investments and cash flows, its banking, money market and capital market transactions, the effective control of risks associated with those activities and the pursuit of optimum performance consistent with those risks. It is consistent with the key principles expressed in the Treasury Management Code for the Council to review performance against the strategies and policies it has adopted.
- 5.4 The Treasury Management Code requires as a minimum that there be a practice of regular reporting on treasury management activities and risks to the responsible committee and that these should be scrutinised by that committee. Under the Council’s Constitution, the audit committee has the functions of monitoring the Council’s risk management arrangements and making arrangements for the proper administration of the Council’s affairs and for the proper stewardship of public funds.
- 5.5 When discharging its treasury management functions, the Council must have due regard to the need to eliminate unlawful conduct under the Equality Act 2010, the need to advance equality of opportunity and the need to foster good relations between persons who share a protected characteristic and those who don’t. Information is contained in section 15 of the report relevant to these considerations.

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

- 6.1 Interest on the Council’s cash flow has historically contributed significantly towards the budget. This Council’s ability to deliver its various functions, to meet its Community Plan targets and to do so in accordance with its obligations under the Equality Act 2010 may thus be enhanced by sound treasury management.

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

- 7.1 Assessment of value for money is achieved through:
- Monitoring against benchmarks
  - Operating within budget
- 7.2 For example, investment returns exceeded the LIBID benchmark up to the end of September 2016 and the treasury function operated within budget for financial year 2016/17.

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

- 8.1 There are no Sustainable Actions for A Greener Environment implications.

## **9. RISK MANAGEMENT IMPLICATIONS**

- 9.1 Any form of investment inevitably involves a degree of risk. To minimise risk the investment strategy has for example a restriction exposure of council cash balances to non-UK banks or institutions only with sovereign rating of AAA, with prudent short term rating or strong long term rating of individual institution.

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

- 10.1 There are no crime and disorder reduction implications arising from this report.

---

**Linked Reports, Appendices and Background Documents: None**

### **Appendices**

Appendix 1: Investment Portfolio as at 30<sup>th</sup> September 2016

Appendix 2: 2016-17 Revised Prudential and Treasury Management Indicators

Appendix 3: Counterparty List

Appendix 4: Glossary

**Local Government Act, 1972 Section 100D (As amended)**

### **List of “Background Papers” used in the preparation of this report**

Capita Treasury Advisory Services - Investment Reports & Benchmarking club report

### **Officer contact details for documents:**

Bola Tobun Ext. 4733 Mulberry Place, 3<sup>rd</sup> Floor

**Investments Outstanding at 30 September 2016**

<b>Maturity</b>	<b>Counterparty</b>	<b>From</b>	<b>Maturity</b>	<b>Amount £m</b>	<b>Rate</b>
<b>Overnight</b>	Aberdeen MMF		<b>MMF</b>	25.00	
	BNP Paribas MMF		<b>MMF</b>	25.00	
	Blackrock MMF		<b>MMF</b>	3.57	
	Federated MMF		<b>MMF</b>	25.00	
	Goldman Sachs MMF		<b>MMF</b>	23.65	
	Standard Life MMF		<b>MMF</b>	4.40	
	State Street MMF		<b>MMF</b>	25.00	
	<b>SUB TOTAL</b>			<b>131.62</b>	
<b>&lt;1 Month</b>	DZ Bank	04/07/2016	04/10/2016	10.00	0.51%
	Skandinaviska Enskilda Banken	05/10/2015	05/10/2016	5.00	0.92%
	DZ Bank	05/04/2016	05/10/2016	5.00	0.68%
	Goldman Sachs International Bank	23/10/2015	24/10/2016	10.00	1.00%
	<b>SUB TOTAL</b>			<b>30.00</b>	
<b>1 - 3 Months</b>	Heleba Landesbank Hessen-Thüringen	12/11/2015	11/11/2016	5.00	1.04%
	Principality Building Society	11/11/2015	11/11/2016	5.00	1.08%
	Goldman Sachs International Bank	12/11/2015	14/11/2016	10.00	0.95%
	Credit Suisse	20/11/2015	18/11/2016	10.00	1.03%
	Credit Suisse	25/11/2015	25/11/2016	10.00	1.00%
	Skandinaviska Enskilda Banken	07/12/2015	07/12/2016	5.00	0.85%
	Development Bank of Singapore	08/06/2016	08/12/2016	5.00	0.62%
	Bank of Montreal	15/03/2016	15/12/2016	10.00	0.72%
	Commonwealth Bank of Australia	15/12/2015	15/12/2016	5.00	0.91%
	Development Bank of Singapore	15/06/2016	15/12/2016	5.00	0.62%
	Heleba Landesbank Hessen-Thüringen	12/11/2015	11/11/2016	5.00	1.04%
		<b>SUB TOTAL</b>			<b>70.00</b>
<b>3 - 6 Months</b>	Santander (95DN)		Call - 95N	20.00	1.10%
	Bank of Montreal	06/04/2016	06/01/2017	10.00	0.75%
	Royal Bank of Scotland	10/01/2014	09/01/2017	5.00	1.74%
	National Australia Bank	12/04/2016	12/01/2017	10.00	0.74%
	National Australia Bank	19/04/2016	19/01/2017	5.00	0.75%
	Bank of Montreal	19/04/2016	19/01/2017	5.00	0.74%
	Commonwealth Bank of Australia	23/02/2016	21/02/2017	5.00	0.90%
	Heleba Landesbank Hessen-Thüringen	26/02/2016	27/02/2017	5.00	0.92%
	Commonwealth Bank of Australia	14/03/2016	14/03/2017	10.00	0.92%
	Skipton BS	23/03/2016	23/03/2017	5.00	1.02%
		<b>SUB TOTAL</b>			<b>80.00</b>
<b>6 - 9 Months</b>	Nationwide	12/04/2016	12/04/2017	5.00	0.95%
	Lloyds Banking Group	14/04/2016	13/04/2017	5.00	1.05%
	Lloyds Banking Group	15/04/2016	13/04/2017	5.00	1.05%
	Nationwide	15/04/2016	13/04/2017	10.00	0.97%
	Nationwide	22/04/2016	21/04/2017	5.00	0.95%
	Newcastle Building Society	28/04/2016	28/04/2017	5.00	1.15%
	Lloyds Banking Group	29/04/2016	28/04/2017	5.00	1.05%
	Royal Bank of Scotland	05/05/2015	05/05/2017	5.00	1.45%
	Royal Bank of Scotland	08/05/2015	08/05/2017	5.00	1.45%
	Nottingham Building Society	09/05/2016	09/05/2017	5.00	1.03%
	Commonwealth Bank of Australia	12/05/2016	12/05/2017	5.00	0.99%
	Heleba Landesbank Hessen-Thüringen	03/05/2016	03/06/2017	10.00	1.01%
	<b>SUB TOTAL</b>			<b>70.00</b>	

<b>9 - 12 Months</b>	Toronto Dominion Bank	16/08/2016	15/08/2017	10.00	0.61%
	Royal Bank of Scotland	19/08/2016	19/08/2017	5.00	0.86%
	<b>SUB TOTAL</b>			<b>25.00</b>	
<b>Maturity</b>	<b>Counterparty</b>	<b>From</b>	<b>Maturity</b>	<b>Amount £m</b>	<b>Rate</b>
<b>&gt; 12 Months</b>	Royal Bank of Scotland	30/01/2015	30/01/2018	5.00	1.20%
	Royal Bank of Scotland	30/04/2015	30/04/2018	5.00	0.90%
	<b>SUB TOTAL</b>			<b>10.00</b>	
	<b>GRAND TOTAL</b>			<b>406.62</b>	



## 2016-17 Revised Prudential and Treasury Management Indicators

Prudential Indicators	2015/16	2016/17	2016/17	2017/18	2018/19
Extract from Estimate and rent setting reports	Actual	Original Estimate	Revised Estimate	Estimate	Estimate
	£m	£m	£m	£m	£m
<b>Capital Expenditure</b>					
Non – HRA	26.620	89.475	77.362	47.149	10.616
HRA	66.359	138.315	92.991	70.301	87.217
<b>TOTAL</b>	<b>92.979</b>	<b>227.790</b>	<b>170.353</b>	<b>117.450</b>	<b>97.833</b>
<b>Ratio of Financing Costs To Net Revenue Stream</b>					
Non – HRA	0.30%	0.33%	0.00%	0.00%	0.00%
HRA	3.70%	3.69%	4.42%	4.43%	8.16%
	£m	£m	£m	£m	£m
<b>Gross Debt and Capital Financing Requirement</b>					
Gross Debt	129.864	139.780	141.335	124.452	192.323
Capital Financing Requirement	262.588	267.344	268.381	259.644	321.946
Over/(Under) Borrowing	(132.724)	(127.564)	(127.046)	(135.192)	(129.624)
<b>In Year Capital Financing Requirement</b>					
Non – HRA	0.145	0.150	0.355	0.000	0.000
HRA	0.000	12.860	14.210	0.000	70.999
<b>TOTAL</b>	<b>0.145</b>	<b>13.010</b>	<b>14.565</b>	<b>0.000</b>	<b>70.999</b>
<b>Capital Financing Requirement as at 31 March</b>					
Non - HRA	192.913	187.096	186.813	180.394	174.011
HRA	69.675	80.248	81.567	79.250	147.935
<b>TOTAL</b>	<b>262.588</b>	<b>267.344</b>	<b>268.381</b>	<b>259.644</b>	<b>321.946</b>
<b>Incremental Impact of Financing Costs (£)</b>					
Increase in Council Tax (band D) per annum	67.317	101.444	73.130	80.534	84.610
Increase in average housing rent per week	5.176	5.261	6.452	6.550	12.102

Treasury Management Indicators	2014/15	2015/16	2015/16	2016/17	2017/18
	Actual	Original Estimate	Revised Estimate	Estimate	Estimate
	£m	£m	£m	£m	£m
<b>Authorised Limit For External Debt -</b>					
Borrowing & Other long term liabilities	245.720	323.828	292.349	326.700	327.089
Headroom	20.000	20.000	20.000	20.000	20.000
<b>TOTAL</b>	<b>265.720</b>	<b>343.828</b>	<b>312.349</b>	<b>346.700</b>	<b>347.089</b>
<b>Operational Boundary For External Debt -</b>					
Borrowing	206.310	285.356	253.877	289.192	290.786
Other long term liabilities	39.410	38.472	38.472	37.508	36.303
<b>TOTAL</b>	<b>245.720</b>	<b>323.828</b>	<b>292.349</b>	<b>326.700</b>	<b>327.089</b>
<b>Gross Borrowing</b>	<b>136.700</b>	<b>162.789</b>	<b>127.117</b>	<b>159.979</b>	<b>157.416</b>
<b>HRA Debt Limit*</b>	<b>184.381</b>	<b>192.000</b>	<b>192.000</b>	<b>192.000</b>	<b>192.000</b>
<b>Upper Limit For Fixed Interest Rate Exposure</b>					
Net principal re fixed rate borrowing / investments	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>
<b>Upper Limit For Variable Rate Exposure</b>					
Net interest payable on variable rate borrowing / investments	<b>20%</b>	<b>20%</b>	<b>20%</b>	<b>20%</b>	<b>20%</b>
<b>Upper limit for total principal sums invested for over 364 days (per maturity date)</b>	<b>£50m</b>	<b>£50m</b>	<b>£50m</b>	<b>£50m</b>	<b>£50m</b>

Maturity structure of new fixed rate borrowing during 2015/16	Upper Limit	Lower Limit
under 12 months	10%	0%
12 months and within 24 months	30%	0%
24 months and within 5 years	40%	0%
5 years and within 10 years	80%	0%
10 years and above	100%	0%

## List of Approved Counterparties for Lending for London Borough of Tower Hamlets.

Any values highlighted in yellow have undergone a change in the past 14 days.

Counterparty	Fitch Ratings			Moody's Ratings			S&P Ratings		
	Long Term	Short Term		Long Term	Short Term		Long Term	Short Term	
<b>Australia</b>	SB	AAA		SB	Aaa		NO	AAA	
<b>Banks</b>									
Australia and New Zealand Banking Group Ltd.	SB	AA-	F1+	NO	Aa2	P-1	NO	AA-	A-1+
Commonwealth Bank of Australia	SB	AA-	F1+	NO	Aa2	P-1	NO	AA-	A-1+
Macquarie Bank Ltd.	SB	A	F1	SB	A2	P-1	SB	A	A-1
National Australia Bank Ltd.	SB	AA-	F1+	NO	Aa2	P-1	NO	AA-	A-1+
Westpac Banking Corp.	SB	AA-	F1+	NO	Aa2	P-1	NO	AA-	A-1+
<b>Canada</b>	SB	AAA		SB	Aaa		SB	AAA	
<b>Banks</b>									
Bank of Montreal	SB	AA-	F1+	NO	Aa3	P-1	SB	A+	A-1
Bank of Nova Scotia	SB	AA-	F1+	NO	Aa3	P-1	SB	A+	A-1
Canadian Imperial Bank of Commerce	SB	AA-	F1+	NO	Aa3	P-1	SB	A+	A-1
National Bank of Canada	SB	A+	F1	NO	Aa3	P-1	SB	A	A-1
Royal Bank of Canada	NO	AA	F1+	NO	Aa3	P-1	NO	AA-	A-1+
Toronto-Dominion Bank	SB	AA-	F1+	NO	Aa1	P-1	SB	AA-	A-1+
<b>Denmark</b>	SB	AAA		SB	Aaa		SB	AAA	
<b>Banks</b>									
Danske A/S	SB	A	F1	PO	A1	P-1	SB	A	A-1
<b>Germany</b>	SB	AAA		SB	Aaa		SB	AAA	
<b>Banks</b>									
DZ BANK AG Deutsche Zentral-Genossenschaftsbank	SB	AA-	F1+	SB	Aa1	P-1	SB	AA-	A-1+

	Landesbank Berlin AG				PO	Aa3	P-1			
	Landesbank Hessen-Thueringen Girozentrale	SB	A+	F1+	SB	Aa3	P-1	SB	A	A-1
	Landwirtschaftliche Rentenbank	SB	AAA	F1+	SB	Aaa	P-1	SB	AAA	A-1+
	NRW.BANK	SB	AAA	F1+	SB	Aa1	P-1	SB	AA-	A-1+
<b>Netherlands</b>		SB	AAA		SB	Aaa		SB	AAA	
<b>Banks</b>	ABN AMRO Bank N.V.	SB	A+	F1	SB	A1	P-1	SB	A	A-1
	Bank Nederlandse Gemeenten N.V.	SB	AA+	F1+	SB	Aaa	P-1	SB	AAA	A-1+
	Cooperatieve Rabobank U.A.	SB	AA-	F1+	SB	Aa2	P-1	SB	A+	A-1
	ING Bank N.V.	SB	A+	F1	SB	A1	P-1	SB	A	A-1
	Nederlandse Waterschapsbank N.V.				SB	Aaa	P-1	SB	AAA	A-1+
<b>Singapore</b>		SB	AAA		SB	Aaa		SB	AAA	
<b>Banks</b>	DBS Bank Ltd.	SB	AA-	F1+	NO	Aa1	P-1	SB	AA-	A-1+
	Oversea-Chinese Banking Corp. Ltd.	SB	AA-	F1+	NO	Aa1	P-1	SB	AA-	A-1+
	United Overseas Bank Ltd.	SB	AA-	F1+	NO	Aa1	P-1	SB	AA-	A-1+
<b>Sweden</b>		SB	AAA		SB	Aaa		SB	AAA	
<b>Banks</b>	Nordea Bank AB	SB	AA-	F1+	SB	Aa3	P-1	NO	AA-	A-1+
	Skandinaviska Enskilda Banken AB	SB	AA-	F1+	SB	Aa3	P-1	SB	A+	A-1
	Svenska Handelsbanken AB	SB	AA	F1+	SB	Aa2	P-1	NO	AA-	A-1+
	Swedbank AB	SB	AA-	F1+	SB	Aa3	P-1	NO	AA-	A-1+
<b>Switzerland</b>		SB	AAA		SB	Aaa		SB	AAA	
<b>Banks</b>	Credit Suisse AG	SB	A	F1	SB	A1	P-1	SB	A	A-1
	UBS AG	SB	A+	F1	SB	Aa3	P-1	SB	A+	A-1
<b>United Kingdom</b>										

		N O	AA		N O	Aa1		NO	AA	
AAA rated and Government backed securities Banks	Debt Management Office									
	Bank of Scotland PLC	SB	A+	F1	SB	A1	P-1	NO	A	A-1
	Close Brothers Ltd	SB	A	F1	SB	Aa3	P-1			
	Co-operative Bank PLC (The)	SB	B	B	PO	Caa 2	NP			
	Goldman Sachs International Bank	PO	A	F1	SB	A1	P-1	P W	A	A-1
	HSBC Bank PLC	SB	AA-	F1 +	N O	Aa2	P-1	NO	AA-	A-1+
	Lloyds Bank Plc	SB	A+	F1	SB	A1	P-1	NO	A	A-1
	Santander UK PLC	PO	A	F1	N O	Aa3	P-1	NO	A	A-1
	Standard Chartered Bank	SB	A+	F1	N O	Aa3	P-1	PO	A	A-1
	Sumitomo Mitsui Banking Corporation Europe Ltd	N O	A	F1	SB	A1	P-1	SB	A	A-1
	UBS Ltd.	SB	A+	F1	SB	A1	P-1	SB	A+	A-1
	Ulster Bank Ltd	SB	BBB +	F2	PO	A3	P-2	SB	BBB	A-2
Building Society	Coventry Building Society	SB	A	F1	N O	A2	P-1			
	Cumberland Building Society									
	Leeds Building Society	SB	A-	F1	N O	A2	P-1			
	National Counties Building Society									
	Nationwide Building Society	PO	A	F1	N O	Aa3	P-1	NO	A	A-1
	Newcastle Building Society	SB	WD	WD						
	Nottingham Building Society				N O	Baa1	P-2			
	Principality Building Society	SB	BBB +	F2	SB	Baa3	P-3			
	Progressive Building Society									
	Skipton Building Society	SB	A-	F1	PO	Baa2	P-2			

	West Bromwich Building Society				SB	B1	NP			
	Yorkshire Building Society	SB	A-	F1	SB	A3	P-2			
Nationalised and Part Nationalised Banks	National Westminster Bank PLC	SB	BBB+	F2	PO	A3	P-2	SB	BBB+	A-2
	The Royal Bank of Scotland Plc	SB	BBB+	F2	PO	A3	P-2	SB	BBB+	A-2

**Advisory notes:**

**Local Authorities** - £20 Million per LA

**Money Market Funds**- £25 Million per Fund

**Standard Banks** up to 3 - 5 years - £25 Million or 1 year - £30 Million

**Part Nationalised Banks** 5 years - £50 Million or 1 year - £70 Million

## Glossary

Asset Life	How long an asset, e.g. a Council building is likely to last.
Borrowing Portfolio	A list of loans held by the Council.
Borrowing Requirements	The principal amount the Council requires borrowing to finance capital expenditure and loan redemptions.
Capitalisation direction or regulations	Approval from central government to fund certain specified types of revenue expenditure from capital resources.
CIPFA Code of Practice on Treasury Management	A professional code of Practice which regulates treasury management activities.
Capital Financing Requirement (CFR)	Capital Financing Requirement- a measure of the Council's underlying need to borrow to fund capital expenditure.
Certificates of Deposits	A certificate of deposit (CD) is a time deposit, a financial product. CDs are similar to savings accounts in that they are insured and thus virtually risk free; they are "money in the bank." They are different from savings accounts in that the CD has a specific, fixed term (often monthly, three months, six months, or one to five years) and, usually, a fixed interest rate. It is intended that the CD be held until maturity, at which time the money may be withdrawn together with the accrued interest.
Commercial paper	Commercial paper is a money-market security issued (sold) by large corporations to obtain funds to meet short-term debt obligations (for example, payroll), and is backed only by an issuing bank or corporation's promise to pay the face amount on the maturity date specified on the note. Since it is not backed by collateral, only firms with excellent credit ratings from a recognized credit rating agency will be able to sell their commercial paper at a reasonable price. Commercial paper is usually sold at a discount from face value, and carries higher interest repayment rates than bonds
Counterparties	Organisations or Institutions the Council lends money to e.g. Banks; Local Authorities and MMF.
Corporate bonds	A corporate bond is a bond issued by a corporation. It is a bond that a corporation issues to raise money effectively in order to expand its business. The term is usually applied to longer-term debt instruments, generally with a maturity date falling at least a year after their issue date.
Covered bonds	A covered bond is a corporate bond with one important enhancement: recourse to a pool of assets that secures or "covers" the bond if the originator (usually a financial institution) becomes insolvent. These assets act as additional credit cover; they do not have any bearing on the contractual cash flow to the investor, as is the case with Securitized assets.
Consumer Prices Index & Retail Prices Index (CPI & RPI)	The main inflation rate used in the UK is the CPI. The Chancellor of the Exchequer bases the UK inflation target on the CPI. The CPI inflation target is set at 2%. The CPI differs from the RPI in that CPI excludes housing costs. Also used

	is RPIX, which is a variation of RPI, one that removes mortgage interest payments.
Credit Default Swap (CDS)	A kind of protection that can be purchased by MMF companies from insurance companies (for their investment) in exchange for a payoff if the organisation they have invested in does not repay the loan i.e. they default.
Credit watch	Variety of special programs offered by credit rating agencies and financial institutions to monitor organisation/individual's (e.g. bank) credit report for any credit related changes. A credit watch allows the organisation/individuals to act on any red flags before they can have a detrimental effect on credit score/history.
Credit Arrangements	Methods of Financing such as finance leasing
Credit Ratings	A scoring system issued by credit rating agencies such as Fitch, Moody's and Standard & Poors that indicate the financial strength and other factors of a bank or similar institution.
Creditworthiness	How highly rated an institution is according to its credit rating.
Debt Management Office (DMO)	The DMO is an agency of the HM Treasury which is responsible for carrying out the Government's Debt Management Policy.
Debt Rescheduling	The refinancing of loans at different terms and rates to the original loan.
Depreciation Method	The spread of the cost of an asset over its useful life.
Gross domestic product (GDP)	Gross domestic product (GDP) is a measure of the size of an economy. It is defined as "an aggregate measure of production equal to the sum of the gross values added of all resident, institutional units engaged in production (plus any taxes, and minus any subsidies, on products not included in the value of their outputs)" by the OECD. GDP estimates are commonly used to measure the economic performance of a whole country or region, but can also measure the relative contribution of an industry sector.
Gilt	Gilt-edged securities are bonds issued by certain national governments. The term is of British origin, and originally referred to the debt securities issued by the Bank of England, which had a gilt (or gilded) edge. Hence, they are known as gilt-edged securities, or gilts for short. Today the term is used in the United Kingdom as well as some Commonwealth nations, such as South Africa and India. However, when reference is made to "gilts", what is generally meant is "UK gilts," unless otherwise specified.
Interest Rate exposures	A measure of the proportion of money invested and what impact movements in the financial markets would have on them.
The International Monetary Fund (IMF)	is an intergovernmental organisation which states its aims as to foster global monetary cooperation, secure financial stability, facilitate international trade, promote high employment and sustainable economic growth, and reduce



Impaired investment	poverty around the world. An investment that has had a reduction in value to reflect changes that could impact significantly on the benefits expected from it.
LIBID	The London Interbank Bid Rate – it is the interest rate at which major banks in London are willing to borrow (bid for) funds from each other.
Market Loans	Loans from banks available from the London Money Market including LOBOS (Lender Option, Borrowing Option) which enable the authority to take advantage of low fixed interest for a number of years before an agreed variable rate comes into force.
Money Market Fund (MMF)	A ‘pool’ of different types of investments managed by a fund manager that invests in lightly liquid short term financial instruments with high credit rating.
Monetary Policy Committee (MPC)	Committee designated by the Bank of England, whose main role is to regulate interest rates.
Minimum Revenue Provision (MRP)	This is the amount which must be set aside from the revenue budget each year to cover future repayment of loans.
Non Specified Investments	Investments deemed to have a greater element of risk such as investments for longer than one year
The Organisation for Economic Co-operation and Development (OECD)	The Organisation for Economic Co-operation and Development (OECD) is an international economic organisation of 34 countries, founded in 1961 to stimulate economic progress and world trade. It is a forum of countries describing themselves as committed to democracy and the market economy, providing a platform to compare policy experiences, seeking answers to common problems, identify good practices and coordinate domestic and international policies of its members.
Premium	Cost of early repayment of loan to PWLB to compensate for any losses that they may incur
Prudential Indicators	Set of rules providing local authorities borrowing for funding capital projects under a professional code of practice developed by CIPFA and providing measures of affordability and prudence reflecting the Council’s Capital Expenditure, Debt and Treasury Management.
PWLB	Public Works Loan Board, a statutory body whose function is to lend money to Local Authorities (LAs) and other prescribed bodies. The PWLB normally are the cheapest source of long term borrowing for LAs.
Specified Investments	Investments that meet the Council’s high credit quality criteria and repayable within 12 months.
Supranational bonds	Supranational bonds are issued by institutions that represent a number of countries, not just one. Thus, organisations that issue such bonds tend to be the World Bank or the European Investment Bank. The issuance of these bonds are for the purpose of promoting economic development
Treasury bills (or T-bills)	Treasury bills (or T-bills) mature in one year or less. Like


zero-coupon bonds, they do not pay interest prior to maturity; instead they are sold at a discount of the par value to create a positive yield to maturity. Many regard Treasury bills as the least risky investment available.

Unrated institution

An institution that does not possess a credit rating from one of the main credit rating agencies.

Unsupported Borrowing

Borrowing where costs are wholly financed by the Council.

Non-Executive Report of the:  <b>Council</b>  5 December 2016	
<b>Report of:</b> Graham White, Acting Corporate Director, Law Probity & Governance	<b>Classification:</b> Unrestricted
<b>Revised Code of Conduct for Members and Revised Arrangements for Dealing                  with Alleged Breach of the Code</b>	

<b>Originating Officer(s)</b>	Mark Norman, Deputy Monitoring Officer
<b>Wards affected</b>	All

## Summary

This report informs Council of proposals for revisions to the Authority’s Code of Conduct for Members and revisions to the arrangements for dealing with alleged breach of the Code.

## Recommendations:

Council is recommended to:

1. Approve and adopt the revised Code of Conduct for Members and the revised arrangements for dealing with alleged breach of the Code as set out in Annex B to this report.

### 1. REASONS FOR THE DECISIONS

- 1.1 The proposed revisions are designed to make the Code of Conduct more robust and streamline arrangements for handling complaints of alleged breach of the Code. This will assist in promoting and maintaining high standards of conduct and improving confidence in local democracy.

### 2. ALTERNATIVE OPTIONS

- 2.1 The Council could decide to retain the existing Code of Conduct for Members and complaint handling arrangements contained in Annex A.

### **3. BACKGROUND**

- 3.1 The Council is operating executive arrangements and pursuant to section 37 of the Local Government Act 2000 it must have a Constitution and also ensure that the Constitution is kept up to date. The Monitoring Officer reviews and monitors the operation of the Constitution and may make recommendations for improvements as appropriate pursuant to Article 15.01 of the Council's Constitution,. Non material changes to the Constitution may be approved by the General Purposes Committee on the recommendation of the Monitoring Officer. Substantive proposals for change must be approved by full Council.
- 3.2 The Code of Conduct for Members is an important Constitutional document which forms part of the Council's ethical framework and is adopted under the provisions of the Localism Act 2011. The 2011 Act requires full Council to approve and adopt the Code and arrangements for dealing with complaints of alleged breach of the Code.
- 3.3 Annex A to this report contains the existing Code of Conduct for Members and the existing arrangements for dealing with complaints of alleged breach of the Code.
- 3.4 Annex B to this report contains the proposed revised Code and proposed revised arrangements for dealing with complaints of alleged breach of the Code.
- 3.5 The proposed revisions were referred to political group leaders and have been considered by the cross party Governance Review Working Group and the Standards (Advisory) Committee.
- 3.6 In summary the proposed revisions to the Code include:
- Changes to the general principles of conduct to bring them up to date in terms of legislative context and current terminology.
  - Greater clarity of the requirements to register and declare statutory disclosable pecuniary interests and other interests.
- 3.7 A potential increase in the current value of £25 contained in the Code for requiring the registration of gifts and/or hospitality was also considered. However, the Standards (Advisory) Committee has recommended that on balance and for better transparency the £25 threshold should remain unchanged.
- 3.8 In summary, the revisions to the arrangements for dealing with complaints of breach of the Code are proposed to streamline the complaint handling process and include:
- Providing greater autonomy for the Monitoring Officer to reject complaints at the initial stage (whilst retaining the ability to seek a view from the

Investigation and Disciplinary Sub-Committee of the Standards (Advisory) Committee in more complex cases).

- Creating defined criteria on which the Monitoring Officer may reject complaints.
- Introducing a requirement for the Monitoring Officer to provide reasons for any rejection at the initial stage to the complainant (and include this in quarterly monitoring information provided to the Standards (Advisory) Committee).
- Introducing greater flexibility to seek local resolution of complaints at all stages of the process.
- Reducing the role of full Council to determine hearings and impose sanctions; it is proposed that the Hearings Sub-Committee of the Standards (Advisory) Committee is decision making as to whether a breach of the Code has occurred, but with a requirement for full Council or the Mayor (as appropriate) to agree more serious sanctions such as removal of a Member from a Council Committee or the Executive.
- Abolishing the Hearings (Appeals) Sub-Committee.
- An increase in the time allowed to the Monitoring Officer to extend investigations for more complex cases, making the total investigation period a maximum of 4 months instead of the current 3 months.

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

- 4.1 There are no immediate financial implications arising out of this report.

#### **5. LEGAL SERVICES COMMENTS**

- 5.1 This report has been prepared by the Deputy Monitoring Officer and incorporates legal comments.

#### **6. RISK MANAGEMENT IMPLICATIONS**

- 6.1 As outlined above the proposed revisions are designed to make the Code of Conduct more robust and streamline arrangements for handling complaints of alleged breach of the Code. This will assist in promoting and maintaining high standards of conduct and improving confidence in local democracy.

#### **7. ONE TOWER HAMLETS CONSIDERATIONS**

- 7.1 There are no specific anti poverty or equal opportunity implications arising out of this report.

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

- 8.1 This report has no immediate implications for the Council's policy of sustainable action for a greener environment.

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

- 9.1 There are no specific crime and disorder reduction implications arising out of this report.

## **10. EFFICIENCY STATEMENT**

- 10.1 This report is not concerned with proposed expenditure, the use of resources or reviewing/changing service delivery and an efficiency statement is not therefore required.

---

### **Linked Reports, Appendices and Background Documents**

#### **Linked Report**

Report to the Standards Advisory Committee 22 September 2016 – Revised Code of Conduct for Members and Revised Arrangements for Dealing with alleged Breach of the Code.

#### **Appendices**

- Annex A - Code of Conduct for Members and the existing arrangements for dealing with complaints
- Annex B - Proposed revised Code and proposed revised arrangements for dealing with complaints of alleged breach of the Code.

#### **Local Government Act, 1972 Section 100D (as amended)**

#### **List of “Background Papers” used in the preparation of this report**

List any background documents not already in the public domain including officer contact information.

- Code of Conduct Revisions file

#### **Officer contact details for documents:**

- Mark Norman 020 7364 4800

# Part 5 - Codes and Protocols

## 5.1 Code of Conduct for Members

Effective 1<sup>st</sup> July 2012. Adopted by the Council on 18<sup>th</sup> June 2012.

### CONTENTS

Section	Subject
1	Introduction
2	Scope and Interpretation
3	General Obligations
4	Interests
5	Disclosable Pecuniary Interests
6	Interests arising in relation to Overview and Scrutiny Committees
7	Effect of Disclosable Pecuniary Interest on Participation at Meetings
8	The Register of Members' Interests
9	Sensitive Information

### 1. INTRODUCTION

**1.1** Tower Hamlets Council has adopted this Code of Conduct for Members in accordance with the Localism Act 2011. The Code will assist the authority in providing excellent local government for the people of the borough. This Code of Conduct applies to the Mayor and all Members and Co-opted Members of the authority or any of its committees or sub-committees and it is your responsibility to comply with the provisions of this Code.

### 1.2 Tower Hamlets' Code of Conduct

- (a) Any alleged breach of the provisions of the Code of Conduct by a Member or co-opted Member of the authority shall be dealt with in accordance with the arrangements set out in Appendix A to this Code.

### 1.3 Additional Codes and Protocols

- (a) The Council has approved the following additional Codes and Protocols:
- Planning Code of Conduct
  - Licensing Code of Conduct
  - Member/Officer Protocol
  - Employees' Code of Conduct

This Code should be read in conjunction with these Codes and Protocols that have been adopted by the Council as supplementary guidance for Members

and officers. These Codes and Protocols do not form part of the Code of Conduct but Members and officers are required to comply with their provisions.

- (b) Any failure by the Mayor, a Member or co-opted member to comply with these additional Codes and Protocols may be investigated in accordance with the arrangements set out at Appendix A to this Code
- (c) Any failure by an officer to comply with these additional Codes and Protocols will be referred to the relevant Corporate Director and where appropriate disciplinary action may be taken.

#### **1.4 General Principles of Conduct**

You should read this Code together with the general principles prescribed by the Localism Act 2011. These principles are listed below and they should guide all aspects of your conduct as a member of the authority:-

- (a) selflessness;
- (b) integrity;
- (c) objectivity;
- (d) accountability;
- (e) openness
- (f) honesty; and
- (g) leadership.

#### **1.5 Further Guidance**

If you require further guidance on the application or interpretation of the provisions of this Code of Conduct or any of the additional Codes and Protocols approved by the Council you should contact the Monitoring Officer.

## **2. SCOPE AND INTERPRETATION**

**2.1** In this Code 'meeting' means any meeting of:

- (a) the authority;
- (b) the executive of the authority (currently known as the cabinet);
- (c) any of the authority's or its cabinet's committees, sub-committees, joint committees, joint sub-committees, panels, or area committees

**2.2** In this Code 'Member' includes the Mayor, a co-opted Member and an appointed Member.

**2.3** Subject to paragraph 2.4, you must comply with this Code whenever you:

- (a) conduct the business of the authority (which, in this Code, includes the business of the office to which you are elected or appointed); or



- (b) act, claim to act or give the impression you are acting as a representative of the authority;

and references to your official capacity are construed accordingly.

**2.4** Where you act as a representative of the authority:

- (a) on another relevant authority (as defined by section 49(6) of the Local Government Act 2000), you must, when acting for that other authority, comply with any code of conduct adopted by that other authority;
- (b) on any other body, you must, when acting for that other body, comply with this Code of Conduct, except and insofar as it conflicts with any other lawful obligations to which that other body may be subject.

**3. GENERAL OBLIGATIONS**

**3.1** You must treat others with respect.

**3.2** You must not:

- (a) do anything which may cause the authority to breach the Equality Act 2010 or any other equality enactment;
- (b) bully any person;
- (c) intimidate or attempt to intimidate any person, including anyone who is or is likely to be:
  - (i) a complainant,
  - (ii) a witness, or
  - (iii) involved in the administration of any investigation or proceedings,in relation to an allegation that a Member (including yourself) has failed to comply with his or her authority's code of conduct;
- (d) act in a threatening manner towards any person;
- (e) do anything which compromises or is likely to compromise the impartiality of those who work for, or on behalf of, the authority.

**3.3.** You must not:

- (a) prevent another person from gaining access to information to which that person is entitled by law.
- (b) disclose information given to you in confidence by anyone, or information acquired by you which you believe, or ought reasonably to be aware, is of a confidential nature, including information that is exempt from publication in

accordance with Part 1 of Schedule 12A of the Local Government Act 1972 ('Part 2' agenda items), **except** where:

- (i) you have the consent of a person authorised to give it; or
- (ii) you are required by law to do so; or
- (iii) the disclosure is made to a third party for the purpose of obtaining professional advice provided that the third party agrees not to disclose the information to any other person; or
- (iv) the disclosure is reasonable **and** in the public interest **and** made in good faith **and** in compliance with the reasonable requirements of the authority.

**3.4** You must not conduct yourself in a manner which could reasonably be regarded as bringing your office or the authority into disrepute.

**3.5** You:

- (a) must not use or attempt to use your position as a Member improperly to confer on or secure for yourself or any other person, an advantage or disadvantage;
- (b) must, when using or authorising the use by others of the resources of the authority:
  - (i) act in accordance with the authority's reasonable requirements;
  - (ii) ensure that such resources are not used improperly for political purposes (including party political purposes);
- (c) must have regard to any applicable Local Authority Code of Publicity made under the Local Government Act 1986.

**3.6** When reaching decisions on any matter you must have regard to any relevant advice provided to you by:

- (a) the authority's Chief Finance Officer; and/or
- (b) the authority's Monitoring Officer,

where they are acting pursuant to their statutory duties.

**3.7** You must give reasons for all decisions in accordance with any statutory requirements and any reasonable additional requirements imposed by the authority.

## **4. INTERESTS**

**4.1** You have an interest in any business of the authority where either:

- (a) it relates to or is likely to affect:
  - (i) any body of which you are a member or in a position of general control or management and to which you are appointed or nominated by the authority;

(ii) any body

(aa) exercising functions of a public nature;

(bb) directed to charitable purposes; or

(cc) one of whose principal purposes includes the influence of public opinion or policy (including any political party or trade union),

of which you are a member or in a position of general control or management;

(iii) any employment or business carried on by you;

(iv) any person or body who employs or has appointed you;

(v) any person or body, other than a relevant authority, who has made a payment to you in respect of your election or any expenses incurred by you in carrying out your duties;

(vi) any person or body who has a place of business or land in the authority's area, and in whom you have a beneficial interest in a class of securities of that person or body that exceeds the nominal value of £25,000 or one hundredth of the total issued share capital (whichever is the lower);

(vii) any contract for goods, services or works made between the authority and you or a firm in which you are a partner, a company of which you are a remunerated director, or a person or body of the description specified in paragraph (vi);

(viii) the interests of any person from whom you have received a gift or hospitality with an estimated value of at least £25;

(ix) any land in the authority's area in which you have a beneficial interest;

(x) any land where the landlord is the authority and you are, or a firm in which you are a partner, a company of which you are a remunerated director, or a person or body of the description specified in paragraph (vi) is, the tenant;

(xi) any land in the authority's area for which you have a licence (alone or jointly with others) to occupy for 28 days or longer; or

- (b) a decision in relation to that business might reasonably be regarded as affecting your well-being or financial position or the well-being or financial position of a relevant person to a greater extent than the majority of other council tax payers, ratepayers or inhabitants of the electoral division or ward, as the case may be, affected by the decision.

**4.2** In paragraph 4.1(b), a relevant person is:

- (a) a member of your family or any person with whom you have a close association; or
- (b) any person or body who employs or has appointed such persons, any firm in which they are a partner, or any company of which they are directors;
- (c) any person or body in whom such persons have a beneficial interest in a class of securities exceeding the nominal value of £25,000; or
- (d) any body of a type described in paragraph 4.1 (a) (i) or (ii).

## 5. DISCLOSABLE PECUNIARY INTERESTS

5.1 A Disclosable Pecuniary Interest (DPI) is defined in law as a pecuniary interest of any of the following descriptions:-

Subject	Prescribed description
Employment, office, trade, profession or vacation	Any employment, office, trade, profession or vocation carried on for profit or gain.
Sponsorship	Any payment or provision of any other financial benefit (other than from the relevant authority) made or provided within the relevant period in respect of any expenses incurred by M in carrying out duties as a member, or towards the election expenses of M. This includes any payment or financial benefit from a trade union within the meaning of the Trade Union and Labour Relations (Consolidation) Act 1992.
Contracts	Any contract which is made between the relevant person (or a body in which the relevant person has a beneficial interest) and the relevant authority— (a) under which goods or services are to be provided or works are to be executed; and (b) which has not been fully discharged.
Land	Any beneficial interest in land which is within the area of the relevant authority.
Licences	Any licence (alone or jointly with

others) to occupy land in the area of the relevant authority for a month or longer.

Corporate tenancies

Any tenancy where (to M's knowledge)—  
(a) the landlord is the relevant authority; and  
(b) the tenant is a body in which the relevant person has a beneficial interest.

Securities

Any beneficial interest in securities of a body where—  
(a) that body (to M's knowledge) has a place of business or land in the area of the relevant authority; and  
(b) either—

(i) the total nominal value of the securities exceeds £25,000 or one hundredth of the total issued share capital of that body; or

(ii) if the share capital of that body is of more than one class, the total nominal value of the shares of any one class in which the relevant person has a beneficial interest exceeds one hundredth of the total issued share capital of that class.

NB: A Member's DPs include his/her own relevant interests and also those of his/her spouse or civil partner; or a person with whom the Member is living as husband and wife; or a person with whom the Member is living as if they were civil partners; if the Member is aware that that other person has the interest.

**5.2** Subject to paragraphs 5.3 to 5.6, where you have a Disclosable Pecuniary Interest in any business of the authority which is not included in the Member's register of interests and you attend, in any capacity, a meeting of the authority at which the business is considered, you must disclose to that meeting the existence and nature of that interest at the commencement of that consideration, or when the interest becomes apparent; and must within 28 days notify the Monitoring Officer of the interest for inclusion in the register.

**5.3** Paragraph 5.2 only applies where you are aware or ought reasonably to be aware of the existence of the interest.

- 5.4** Where you have an interest but, by virtue of section 9, sensitive information relating to it is not registered in the authority's register of members' interests, you must indicate to the meeting that you have a personal interest, but need not disclose the sensitive information to the meeting.
- 5.5** Subject to paragraph 7.1 (b), where you have an interest in any business of the authority and you have made an executive decision in relation to that business, you must ensure that any written statement of that decision records the existence and nature of that interest.
- 5.6** In this Code 'executive decision' is to be construed in accordance with any regulations made by the Secretary of State under section 22 of the Local Government Act 2000.

## **6. INTERESTS ARISING IN RELATION TO OVERVIEW AND SCRUTINY COMMITTEES**

- 6.1** You have an interest in any business before an overview and scrutiny committee of the authority (or of a sub-committee of such a committee) where:
- (a) that business relates to a decision made (whether implemented or not) or action taken by the Mayor or the authority's cabinet or another of the authority's committees, sub-committees, joint committees or joint sub-committees : and
  - (b) at the time the decision was made or action was taken, you were the Mayor or a member of the cabinet, committee, sub-committee, joint committee or joint sub-committee mentioned in paragraph (a) and you were present when that decision was made or action was taken.

## **7. EFFECT OF DISCLOSABLE PECUNIARY INTERESTS ON PARTICIPATION AT MEETINGS**

- 7.1** Subject to paragraph 7.2 where you have a DPI in any business of the authority:
- (a) you must withdraw from the room or chamber where a meeting considering the business is being held, including from any public viewing area:
    - (i) in a case where paragraph 7.2 applies, immediately after making representations, answering questions or giving evidence;
    - (ii) in any other case, whenever it becomes apparent that the business is being considered at that meeting;unless you have obtained a dispensation from the authority's Monitoring Officer following consideration by the Dispensations Sub-Committee of the Standards Advisory Committee;
  - (b) you must not exercise executive functions in relation to that business; and

(c) you must not seek improperly to influence a decision about that business.

**7.2** Where you have a Disclosable Pecuniary Interest in any business of the authority, or in relation to business before an Overview and Scrutiny Committee of the kind described at section 6 above, you may attend a meeting (including a meeting of the Overview and Scrutiny Committee or of a sub-committee of such a committee) but only for the purpose of making representations, answering questions or giving evidence relating to the business, provided that the public are also allowed to attend the meeting for the same purpose, whether under a statutory right or otherwise.

## **8. THE REGISTER OF MEMBERS' INTERESTS**

**8.1** Subject to paragraph 9, you must, within 28 days of:

- (a) this Code being adopted by the authority; or
- (b) your election or appointment to office (where that is later); or
- (c) Disclosing a DPI at a meeting of the authority, its executive or any committee or sub-committee;

Notify the Monitoring Officer in writing, for inclusion in the authority's Register of Members' Interests, of details of your Disclosable Pecuniary Interests and other interests that fall within any of the categories mentioned in paragraph 4.1 (a).

**8.2** Subject to paragraph 9, you must, within 28 days of becoming aware of any new DPI or change to any interest registered under paragraph 8.1, register details of that new interest or change by providing written notification to the authority's Monitoring Officer.

## **9. SENSITIVE INFORMATION**

**9.1** Where you consider that the information relating to any of your interests is sensitive information, and the authority's Monitoring Officer agrees, you need not include that information when registering that interest, or, as the case may be, a change to that interest under paragraph 8.

**9.2** You must, within 28 days of becoming aware of any change of circumstances which means that information excluded under paragraph 9.1 is no longer sensitive information, notify the authority's Monitoring Officer asking that the information be included in the authority's Register of Members' Interests.

**9.3** In this Code, 'sensitive information' means information whose availability for inspection by the public creates, or is likely to create, a serious risk that you or a person who lives with you may be subjected to violence or intimidation.

LONDON BOROUGH OF TOWER HAMLETS

ARRANGEMENTS FOR DEALING WITH COMPLAINTS OF BREACH OF THE CODE OF CONDUCT FOR MEMBERS

Effective 1<sup>st</sup> July 2012. Arrangements agreed by the Council on 18<sup>th</sup> June 2012 and subsequently revised by the Council on 18<sup>th</sup> September 2013.

1. The Monitoring Officer shall be the Proper Officer to receive complaints of any failure by the Mayor, a Councillor or a co-opted member to comply with the Code of Conduct for Members. On receipt of a complaint the Monitoring Officer shall within three working days inform the subject member of the substance of the complaint on a confidential basis.
2. The Monitoring Officer shall ensure that the Council appoints at least one Independent Person and at least one reserve Independent Person.
3. Complainants must provide their name and postal address when submitting a complaint. Anonymous complaints will not be considered unless in exceptional circumstances where the Monitoring Officer decides (after consultation with the Independent Person) that the complaint raises a serious issue affecting the public interest which is capable of investigation without the need to ascertain the complainant's identity.
4. The Monitoring Officer shall, after consultation with the Independent Person and within ten working days of receiving the complaint (so far as practicable), determine whether a complaint merits formal investigation and arrange for such investigation. In making this determination the Monitoring Officer may at his/her discretion also consult other persons including Counsel.
5. In determining whether to refer a complaint for investigation, the Monitoring Officer may take into account how long has elapsed since the event(s) complained about took place and if this is more than one year, then a complaint will be rejected as out of time unless the complainant demonstrates that there are good reasons for the delay such as fresh evidence not available at the earlier date or only recently discovered.
6. The Monitoring Officer may refer a complaint of failure to comply with the Code to the Standards Advisory Committee or its sub-committee to recommend whether or not the complaint requires investigation where s/he feel that it is inappropriate for him/her to take the decision without seeking their advice. Where the Monitoring Officer considers that a complaint should not be subject to investigation, s/he shall convene an Investigation and Disciplinary Sub-Committee of the Standards Advisory Committee which shall make the final decision on the matter.
7. The Monitoring Officer will report quarterly (or less frequently if there are no complaints to report) to the Standards Advisory Committee on the number and



nature of complaints received and action taken as a result. This will include details of complaints that did not require investigation so that the Committee can exercise its oversight role.

8. If a complaint of failure to comply with the Code is referred for investigation the Monitoring Officer shall appoint an investigator or complete the investigation him/herself. Such investigation should be completed within two months of the decision to refer the matter for investigation. The Monitoring Officer may extend this period by up to a further month where s/he feels it is necessary to ensure an adequate investigation.
- 8A. In cases where the Monitoring Officer exercises their power to extend the time period of investigations into complaints from two months to three months, a report on the reasons for this is presented to the Standards Advisory Committee for noting and a letter is to be sent to the complainant(s) and subject(s) of the investigation notifying them of the extension and the reasons for this. The Monitoring Officer will also at each meeting of the Standards Advisory Committee present a report listing all complaints which have exceeded the two month referral for investigation with details of the length of time elapsed and the reasons for the delay. This report will include all complaints which have exceeded the two month investigation period since the last meeting of the Advisory Committee as well as those complaints previously reported to the Advisory Committee which remain outstanding in excess of the two month investigation period.
9. The Monitoring Officer or his/her deputy may, either before a complaint is referred for investigation or during the course of the investigation, seek local resolution of the matter to the satisfaction of the complainant before the investigation is concluded. Where the Monitoring Officer or deputy attempts to reach a local resolution before a complaint is referred for investigation, such attempts shall be subject to a four week time limit.
10. Where any investigation into a complaint of breach of the Code finds no evidence of failure to comply with the Code of Conduct, the Monitoring Officer shall within four weeks of receipt of the investigation report, consult with the Independent Person and the Standards Advisory Committee Investigations and Disciplinary Sub-Committee to confirm their agreement that the matter shall be closed without further hearing. If the Sub-Committee agree then the matter is closed. The Monitoring Officer shall provide a copy of the report and findings of the investigation which shall be kept confidential to the complainant and to the member concerned and shall report the matter as part of the quarterly report to the Standards Advisory Committee for information.
11. Where the investigation finds evidence of a failure to comply with the Code of conduct, the Monitoring Officer in consultation with the Independent Person, may seek local resolution to the satisfaction of the complainant in appropriate cases, with a summary report for information to Standards Advisory Committee in due course. Where such local resolution is not appropriate or not possible the Monitoring Officer shall report the investigation findings to a Hearings Sub-Committee of the Standards Advisory Committee for local hearing and recommendations. The Hearings Sub-Committee will be convened within one month of the Monitoring Officer receiving the

investigation report. The Hearings Sub-Committee may sit in private after advice from the Monitoring Officer.

12. The Hearings Sub-Committee will advise the Monitoring Officer whether or not they consider there has been a breach of the Code and if they consider sanction is appropriate having heard the matter shall request that the Monitoring Officer prepare a report to Full Council setting out the details of the investigation, hearing and proposed sanction which may include any of the following:-
  - Recommend to the member's Group Leader (or in the case of ungrouped members, recommend to Council or to Committees) that he/she be removed from any or all Committees or Sub-Committees of the Council;
  - Recommend to the Mayor that the member be removed from the Executive, or removed from particular Portfolio responsibilities;
  - Recommend the Monitoring Officer to arrange training for the member (subject to the Members agreement);
  - Recommend remove as from all outside appointments to which the Member has been appointed or nominated;
  - Recommend withdrawing facilities provided to the member by the Council, such as a computer, website and/or email and Internet access; or
  - Recommend excluding the member from the Council's offices or other premises, with the exception of meeting rooms as necessary for attending Council, Executive Committee and Sub-Committee meetings (as appropriate);
  - Recommend the member to contact the Council via specified point(s) of contact;
  - Write to the member with their advice on the Members conduct.
13. In determining any recommended sanction the Sub-Committee may take into account any previous breach by the member concerned and/or their compliance with any previous sanction applied.
14. Where a subject member feels that a recommended sanction would cause him/her undue hardship or prevent him/her from undertaking ward duties, that Member may make representations to the Council meeting that will consider the recommendations of the Hearings Sub-Committee on the relevant complaint. Any such representations shall be notified to the Monitoring Officer within five working days of the Hearing Sub-Committee meeting.
15. The recommendations of the Hearings Sub-Committee shall be published in a local newspaper in the Public Notices Section and on the Council's website as well as in the minutes of the meeting. The content of any notice to be published shall be subject to agreement by the Chair of the Hearings Sub-Committee. Following publication, a link to the notice shall remain on the front page of the Council's website for a period of one month or such other position and/or period as the Hearings Sub-Committee may recommend. The Monitoring Officer shall draft further guidance on the detailed procedures for publication of decisions as necessary.
16. A member who is the subject of a finding by the Standards Advisory Committee that he/she has breached the code may appeal against that finding and/or against any

sanction applied. A complainant who is dissatisfied with the outcome of his/her complaint may appeal against that outcome. Any appeal under this section shall be notified in writing to the Monitoring Officer within 15 working days of the Hearings Sub-Committee recommendation being notified to the member or complainant and the Monitoring Officer shall arrange for the appeal to be heard by a Hearings (Appeal) Sub-Committee of the Standards Advisory Committee within 15 working days of receipt of the appeal. The decision of the Hearings Sub-Committee shall not be published, nor any sanctions applied, until the period allowed for an appeal has expired.

17. An appeal under 15 above may be made on grounds of either fact or defective procedure. The appellant must state the grounds on which the appeal is made and must provide specific reasons and any further information to support his/her appeal.
18. The Sub-Committee to hear any appeal under 15 above shall not include any member of the Hearings Sub-Committee that considered the investigation of the matter in question.
19. A member who is the subject of a complaint shall be informed of, and shall have the right to attend and/or be represented at, the hearing of the Standards Advisory Committee or any of its sub-committees that considers any matter relating to that complaint following investigation.
20. The timelines set out in this procedure are for guidance only and shall be observed where practicable but may be extended by the Monitoring Officer as necessary if they cannot be complied with by any relevant party due to sickness, holidays or other reasonable cause.

This page is intentionally left blank

**TOWER HAMLETS LBC**  
**Revised Code of Conduct for Members**  
**DRAFT**

**1. Introduction**

1.1 This Code sets out the principles and standards of conduct for all elected and co-opted members of the London Borough of Tower Hamlets.

1.2 The Council is committed to the highest standards of ethical behaviour. The law prescribes minimum requirements of conduct which are included in this Code. The Code also contains additional requirements which the Council has chosen to adopt using its own local discretion.

1.3 Any reference to 'members' in this Code, or any appendices or related protocols, means the Mayor, elected and co-opted members. This Code applies at all times when members act in their capacity as member (or claim to act or give the impression of acting in their capacity as a member).

**2. General Principles of Conduct**

2.1 Members are required to comply with the following principles in their capacity as a member:-

**SELFLESSNESS**  
**INTEGRITY**  
**OBJECTIVITY**  
**ACCOUNTABILITY**  
**OPENNESS**  
**HONESTY**  
**LEADERSHIP**

2.2 Members must act solely in the public interest. They should not improperly confer (or seek to confer) an advantage or disadvantage on any person. They should not act to gain financial or other benefit for themselves, their family, friends or close associates.

2.3 Members should not place themselves under a financial or other obligation to any individual or organisation that might seek to influence the performance of their duties as a member.

2.4 Members should make decisions on merit, including when awarding contracts, making appointments, or recommending individuals for rewards or benefits.

2.5 Members are accountable to the public for their actions and the manner in which they carry out their responsibilities and should co-operate fully and honestly with any scrutiny appropriate to their office.

2.6 Members should be as open as possible about their decisions and actions and those of the Council. They should be prepared to give reasons for decisions and have regard to the advice of the Council's statutory officers before making any decision.

2.7 Members should act to ensure Council resources are used prudently. When using or authorising the use by others of Council resources, members must ensure that they are used only for legitimate Council purposes and not for any other purpose. In particular they must not be used improperly for political purposes (including party political purposes).

2.8 Members should take account of the views of others, including their political groups, but must reach their own conclusions and act in accordance with those conclusions.

2.9 Members should promote equality and not discriminate unlawfully against any person. Members should treat all people with respect, they should not bully any person and should respect the impartiality and integrity of the Council's officers.

2.10 Members should promote and support high standards of conduct by leadership and example.

### **3. Members' Interests**

3.1 For the purposes of this Code there are two categories of interest that require registration with the Monitoring Officer:

**Disclosable pecuniary interest**  
**Other interests the Council has decided should be registered**

3.2 **A disclosable pecuniary interest** is defined by statutory regulation. Members must within 28 days of taking office as a member, notify the Monitoring Officer of any disclosable pecuniary interest to be included in the Register of Members' Interests. **Failure to declare or register a disclosable pecuniary interest is a criminal offence.**

3.3 A disclosable pecuniary interest also includes the interests of a members' partner. A partner is your spouse or civil partner, a person with whom you are living as husband or wife, or a person with whom you are living as if you are civil partners. A member and their partner is referred to in the statutory definition of a disclosable pecuniary interest as 'relevant person'.

3.4 The categories of disclosable pecuniary interest are:

Employment, office, trade, profession or vocation

Any employment, office, trade, profession or vocation carried on by a

relevant person for profit or gain.

### Sponsorship

Any payment or provision of any other financial benefit (other than from the Council) made or provided within the 12 months prior to the date of giving notice of interest for inclusion in the register in respect of any expenses incurred by the member in carrying out duties as a member, or towards the election expenses of the member.

This includes any payment or financial benefit from a trade union within the meaning of the Trade Union and Labour Relations (Consolidation) Act 1992.

### Contracts

Any contract which is made between a relevant person (or a firm in which they are a partner, or a body corporate in which they are a director or in the securities of which body corporate they have a beneficial interest) and the relevant authority:-

under which goods or services are to be provided or works are to be executed; and  
which has not been fully discharged.

### Land

Any beneficial interest in land which is within the borough.

### Licences

Any licence (alone or jointly with others) to occupy land in the borough for a month or longer.

### Corporate tenancies

Any tenancy where (to the member's knowledge):-

the landlord is the Council; and

the tenant is a body in which the relevant person is a firm in which they are a partner, or a body corporate in which they are a director or in the securities of which body corporate they have a beneficial interest.

### Securities

Any beneficial interest in securities of a body where:-

that body (to the member's knowledge) has a place of business or land in the borough; and

either:-

the total nominal value of the securities exceeds £25,000 or one hundredth of the total issued share capital of that body; or

if the share capital of that body is of more than one class, the total nominal value of the shares of any one class in which the relevant person has a beneficial interest exceeds one hundredth of the total issued share capital of that class.

**3.5 Other interests the Council has decided should be registered.**

Members must also within 28 days of taking office as a member, notify the Monitoring Officer of such other interests that the Council has decided should be included in the register of Members' Interests. These are:

3.6 Any person from whom you have received a gift or hospitality with an estimated value of at least £25.

3.7 Membership or position of control or management in:-

Any body to which you have been appointed or nominated by the Council; and/or  
Any body exercising functions of a public nature (described below) or directed to charitable purposes, or whose principal purposes include the influence of public opinion or policy, including any political party

3.8 There is no definitive list of bodies exercising functions of a public nature, but those bodies which:-

carry out a public service, or  
take the place of local/central government (including through outsourcing); or  
carry out a function under legislation or in pursuit of a statutory power; or  
can be judicially reviewed,

are likely to be bodies carrying out functions of a public nature. They include bodies such as government agencies, other councils, health bodies, council owned companies and school governing bodies.

3.9 All members must ensure that their entries in the Register of Members' Interests are kept up to date they must notify the Monitoring Officer of any change to their interests within 28 days of the change arising.

#### **4. Declaration of interests**

4.1 Members with a disclosable pecuniary interest may not participate in any discussion of, vote on, or discharge any function relating to any matter in which the member has such an interest, unless a dispensation has been granted under Section 33 Localism Act 2011.



4.2 The law requires that if a member has a disclosable pecuniary interest which is not entered on the Register of Members' Interests, then the member must disclose the interest to any meeting of the Council at which they are present where they have a disclosable pecuniary interest in any matter being considered at that meeting. However this shall not apply if the interest is a 'sensitive interest' (see para 4.3 below.) Following any such disclosure the law requires that members update their entry in the Register of Members' Interests within 28 days of the date of disclosure. In this context the law defines a meeting as a meeting of the Council, or any committee, sub-committee or joint committee of it.

4.3 A 'sensitive interest' is an interest the disclosure of which the member and Monitoring Officer have agreed could lead to the member or a person connected with them being subject to violence or intimidation

4.4 Where a member is present at a meeting and has registered an interest in any matter which is to be discussed at the meeting (which is not a disclosable pecuniary interest) they must declare the nature of the interest at the earliest opportunity and in any event before the matter is considered. The declaration will be recorded in the minutes of the meeting. The member may stay in the room and participate in consideration of the matter and vote on it subject to paragraph 4.5.

4.5 Where a member has an interest which under this Code would not be a disclosable pecuniary interest but requires registration (and therefore would not generally by law prevent participation in consideration of a matter in which the member has that interest) the member must also consider whether a reasonable member of the public in possession of all the facts would think that their interest is so significant that it would be likely to impair the member's judgement of the public interest. If so, the member must withdraw and take no part in consideration of the matter nor seek to influence the outcome improperly.

## **5. Interests not included in the Register of Members' Interests**

5.1 Occasions may arise where a matter under consideration would, or would be likely to, affect the wellbeing of the member, their family, friend or close associate(s) more than it would affect those in the local area generally, but which is not required to be included in the Register of Members' Interests (for example, a decision in relation to a school closure, where a member has a child at the school). In such matters, members must comply with paragraph 4 in its entirety as if the interest were a registerable one.

**Note: The provisions of paragraphs 4 and 5 apply not only to meetings but to circumstances where a member makes a decision alone.**

## **6. Access to Information**

6.1 Members must not disclose confidential information given to them in the course of their duties without the consent of the person entitled to give it unless:-

there is a legal requirement to disclose the information, or  
the disclosure is to a third person for the purpose of obtaining professional advice and the third party agrees not to disclose it, or  
the disclosure is reasonable, in the public interest, made in good faith and made in accordance with the Council's reasonable requirements.

6.2 Conversely, members must not prevent access to information to which another is entitled by law.

## **7. Protocols**

7.1 The Council has approved the following additional Codes and Protocols:

- Planning Code of Conduct
- Licensing Code of Conduct
- Member/Officer Protocol
- Employees' Code of Conduct

This Code should be read in conjunction with these Codes and Protocols.

## **8. Complaints**

8.1 Any alleged breach by a member of the provisions of this Code or any of the Codes and Protocols listed in section 7 above will be dealt with in accordance with the arrangements set out in Appendix A to the Code.

8.2 Any failure by an officer to comply with the provisions of any of the Codes and Protocols listed in section 7 above will be referred to the relevant Corporate Director and may result in disciplinary action.

8.3 Members are reminded that breach of any of the statutory requirements relating to the registration and declaration of disclosable pecuniary interests may result in prosecution. Breach of the provisions introduced locally by the Council will be dealt with in accordance with Appendix A.

**Members in need of advice about the application of this Code should contact the Monitoring Officer, Melanie Clay**

## **Revised Code of Conduct for Members Appendix A**

### **LONDON BOROUGH OF TOWER HAMLETS**

#### **REVISED ARRANGEMENTS FOR DEALING WITH COMPLAINTS OF BREACH OF THE CODE OF CONDUCT FOR MEMBERS**

**Arrangements agreed by the Council on 2016.**

##### **Introduction**

The Council has adopted a Code of Conduct for Members which is available on the Council's website and on request from the Monitoring Officer.

In accordance with section 28 of the Localism Act 2011, these arrangements set out how an allegation may be made that the Mayor, an elected Member or a Co-opted Member of the London Borough of Tower Hamlets has failed to comply with the Council's Code of Conduct for Members and how the Council will deal with such allegations.

These arrangements also require that the Monitoring Officer shall ensure that the Council appoints at least one Independent Person and at least one reserve Independent Person for the purposes of meeting the statutory requirements of the Localism Act 2011.

Any reference in these arrangements to the Monitoring Officer shall include a deputy Monitoring Officer. The timelines set out are for guidance and shall be observed where practicable but may be extended by the Monitoring Officer as necessary if they cannot be complied with by any relevant party due to sickness, holidays or other reasonable cause.

##### **Complaints**

1. Allegations concerning possible breaches of the Code of Conduct for Members should be made in writing to the Monitoring Officer.
2. On receipt of a complaint the Monitoring Officer shall within five working days acknowledge receipt to the complainant. The Monitoring Officer will also within five working days and on a confidential basis, inform the subject Member of the substance of the complaint and the identity of the complainant (unless the Monitoring Officer considers that such notification would prejudice the proper consideration and investigation of the complaint).
3. Complainants must provide their name and postal address when submitting a complaint. Anonymous complaints will not be considered unless the Monitoring Officer decides (after consultation with the Independent Person) that the complaint raises a serious issue affecting the public interest which is capable of investigation without the need to ascertain the complainant's identity.
4. A complainant when making an allegation should specify the identity of the person(s) alleged to have breached the Code, the conduct that is alleged to give rise to the breach, the evidence that supports the allegation and the names (and contact details) for any potential witnesses able to give direct evidence of the events complained about.

##### **Assessment of Complaints**

5. The Monitoring Officer shall, after consultation with the Independent Person and within ten working days of receiving the complaint:

- (a) Decide whether or not a complaint merits formal investigation and where appropriate arrange for an investigation; OR
  - (b) Decide to attempt to facilitate informal resolution of the complaint (such attempt shall be subject to a four week time limit).
6. In making this determination the Monitoring Officer may at his/her discretion report the matter to the Investigation & Disciplinary Sub-Committee (IDSC) of the Standards (Advisory) Committee for consideration and/or consult other persons as appropriate.
7. The Monitoring Officer may decide not to refer the matter for investigation where:
- (a) The allegation does not demonstrate any potential breach of the Code (because for example it relates to dissatisfaction with a Council decision/service or relates to events which occurred when the person complained about was not acting in an official capacity).
  - (b) The event(s) complained about took place more than six months ago and there are no valid reasons for the delay in bringing the complaint, such as fresh evidence not available at the earlier date or only recently discovered.
  - (c) The allegation is about someone who is no longer the Mayor or a Member/Co-opted Member.
  - (d) The complainant has failed to provide the information specified in paragraph 4 above or any other information reasonably requested by the Monitoring Officer.
  - (e) The same or a similar allegation has been investigated and determined.
  - (f) The Mayor, Member or Co-opted Member has already accepted they made an error in their conduct and/or has apologised for their conduct and the Monitoring Officer considers the matter would not warrant a more serious sanction.
  - (g) The allegation is politically motivated and/or 'tit for tat'.
  - (h) The allegation is not considered sufficiently serious to merit the cost to the public of carrying out an investigation.
  - (i) The Monitoring Officer has facilitated an informal resolution of the complaint (see below) and the Mayor or Member/Co-opted Member complained about has offered to take remedial action that the Monitoring Officer considers appropriate in all the circumstances (for example by apologising to the complainant and/or undertaking training or issuing a statement of factual correction).
8. Where the Monitoring Officer decides to reject a complaint s/he shall inform the complainant in writing giving the reasons for rejection.

### **Investigation and Monitoring of Complaints**

9. If a complaint of failure to comply with the Code is referred for investigation the Monitoring Officer shall appoint an investigator or complete the investigation him/herself. Such investigation should whenever possible be completed within two months of the decision to refer the matter for investigation. The Monitoring Officer may extend this period by up to a further two months where s/he feels it is necessary to ensure a proper and adequate investigation.
10. The Monitoring Officer will keep the complainant and the subject Member informed as to progress at appropriate intervals and shall inform them of any extension to the period for the investigation.


11. The Monitoring Officer will report quarterly (or less frequently if there are no complaints to report) to the Standards (Advisory) Committee on the number and nature of complaints received and action taken as a result. This will include details of complaints that have been rejected by the Monitoring Officer and any extension made to the period for an investigation of a complaint.
12. Where any investigation into a complaint of breach of the Code finds no evidence of failure to comply with the Code of Conduct, the Monitoring Officer shall within four weeks of receipt of the investigation report, consult with the Independent Person and decide whether the matter should be closed without reference to a Hearings Sub-Committee. The Monitoring Officer shall provide a copy of the report and findings of the investigation which shall be kept confidential to the complainant and to the Member concerned and shall report the matter as part of the quarterly report to the Standards (Advisory) Committee for information. The Monitoring Officer may also seek advice from the IDSC before deciding that a matter should be closed without reference to the Hearings Sub-Committee.
13. Where an investigation finds evidence of a failure to comply with the Code of Conduct, the Monitoring Officer following consultation with the Independent Person, may seek local resolution of the complaint. If local resolution succeeds the Monitoring Officer shall report the matter as part of the quarterly report to the Standards (Advisory) Committee. If local resolution does not succeed or if following consultation with the Independent Person, the Monitoring Officer considers that it is not appropriate to seek local resolution, the Monitoring Officer shall report the investigation findings to a Hearings Sub-Committee of the Standards (Advisory) Committee for local hearing and determination. The Hearings Sub-Committee will whenever practicable be convened within one month of the Monitoring Officer receiving the investigation report.

### **Hearings Sub-Committee**

14. The Hearings Sub-Committee will consider the investigation report and any submissions from the subject Member and determine:
  - (a) If there has been a breach of the Code of Conduct having taken into account the views of the Independent Person; and if so
  - (b) Whether any sanction is appropriate having taken into account the views of the Independent Person.
15. Possible sanctions may include any of the following:-
  - (a) Publication of the Sub-Committee's decision.
  - (b) Reporting the Sub-Committee's decision to Council.
  - (c) Requesting the Monitoring Officer to arrange training for the Member (subject to the Member's agreement).
  - (d) Issuing a censure or reprimand which may also be reported to Council.
  - (e) Requiring the Member to contact the Council and officers via specified point(s) of contact.
  - (f) Withdrawing facilities provided to the Member by the Council, such as a computer or internet access.
  - (g) Excluding the Member from the Council's offices or other premises, with the exception of meeting rooms as necessary for attending Council, Executive, Committee and Sub-Committee meetings (as appropriate).
  - (h) Recommending to the Member's Group Leader that s/he be removed from any or all Committees or Sub-Committees of the Council.
  - (i) Recommending to the Mayor that the Member be removed from the Executive, or removed from particular portfolio responsibilities.

- (j) Recommending to Council or the Mayor as appropriate the removal from outside appointments to which the Member has been appointed or nominated.
- (k) Recommending to Council that the Member be removed from any or all Council Committees or Sub-Committees.

16. In determining any recommended sanction the Hearings Sub-Committee may take into account any previous breach by the Member concerned and/or their compliance with any previous sanction applied.

<p>Non-Executive Report of the:</p> <p><b>Council</b></p> <p>5<sup>th</sup> December 2016</p>	 <p><b>TOWER HAMLETS</b></p>
<p><b>Report of:</b> Graham White, Interim Service Head, Legal Services and Deputy Monitoring Officer</p>	<p><b>Classification:</b> Unrestricted</p>
<p><b>Proposed Revised Licensing Code of Conduct</b></p>	

<b>Originating Officer(s)</b>	Paul Greeno, Senior Corporate and Governance Lawyer
<b>Wards affected</b>	All wards

**Summary**

This report advises of a proposed revised Licensing Code of Conduct at Part 5.3 of the Tower Hamlets Constitution.

**Recommendations:**

Council is recommended to:

1. Adopt the revised Licensing Code of Conduct.

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

- 1.1 Pursuant to the Local Government Act 2000 ('the 2000 Act') as the Council is operating Executive arrangements then it must have a Constitution and also ensure that this Constitution is kept up-to-date. Pursuant to Part 2 Article 15 of the Constitution it is a Monitoring Officer role to review the Constitution.
- 1.2 The Licensing Code of Conduct is an important Constitutional document as it is part of the Council's ethical framework and is in addition to the Councillors' Code of Conduct adopted under the provisions of the Localism Act 2011.
- 1.3 As the work of the Licensing Committee is quasi-judicial and therefore there are a higher set of standards on Councillors who are involved in the decision-making process. The provisions of the revised Licensing Code are designed to better assist Councillors when determining such applications.

## **2. ALTERNATIVE OPTIONS**

- 2.1 The Council can decide not to adopt a revised Policy.

## **3. DETAILS OF REPORT**

- 3.1 Pursuant to the Local Government Act 2000 ('the 2000 Act') as the Council is operating Executive arrangements then it must have a Constitution and also ensure that this Constitution is kept up-to-date. Pursuant to Part 2 Article 15 of the Constitution it is a Monitoring Officer role to review the Constitution.
- 3.2 The Licensing Code of Conduct is an important Constitutional document as it is part of the Council's ethical framework and is in addition to the Councillors' Code of Conduct adopted under the provisions of the Localism Act 2011.
- 3.3 Whilst most decisions taken by Councillors are administrative in nature, the work of the Licensing Committee is different in that its proceedings are quasi-judicial and the rules of natural justice apply. This imposes a new and higher set of standards on those Councillors who are involved in the decision-making process. The provisions of the revised Licensing Code are designed to ensure that licensing decisions are taken on proper licensing grounds; in a fair consistent and open manner; and that Councillors making such decisions are, and are perceived as being, accountable for those decisions.
- 3.4 The Code is also designed to assist Councillors in dealing with and recording approaches from applicants, licensees and objectors and is intended to ensure that the integrity of the decision-making process is preserved.
- 3.5 Appendix 1 contains the existing Code of Conduct for Licencing and Annex B contains the revised Code.



- 3.6 Reasons for suggesting changes to the current Code of Conduct fall into 4 categories:
- (i) Changes that bring the Code up to date in terms of legislative context, the organisational structure of the Council and/or current terminology;
  - (ii) Improvements to achieve better consistency with other documents in terms of content and style and structure;
  - (iii) The addition of information/explanation to aide understanding;
  - (iv) Material changes to the Code that will require members and/or officers to conduct themselves differently than under the existing Code
- 3.7 Changes relating to (i) and (ii) above have been made to all sections of the document and, as they are not material, have not been singled out.
- 3.8 Changes to sections relating to categories (iii) and (iv) above are identified in Table 1 for each code as it was felt that these changes in particular should be brought to Members' attention.
- 3.9 The revised Code has been referred to, the Head of Environmental Health and Trading Standards, and within whose area Licensing sits and he has confirmed that he has no issues with it. He raised a separate issue regarding Member training and it is intended that if the revised Code is introduced that it would be presented to Members of the Licensing Committee along with a briefing as to the revised Code.
- 3.10 The revised Code was also presented to the Governance Review Working Group and the following observations were made:
- (i) Members queried whether information could be given more succinctly and a bulleted point A4 sheet of dos and don'ts will be introduced along with any revised Code that is approved;
  - (ii) Members wanted more information about relationship with applicants and information relevant to this in paragraphs 5, 8, 9 and 10 of the revised Code; and
  - (iii) Members considered the addition on site visits was useful and advised of a site visit on a Licensing application last year and which was very useful in relation to the determination of the application.
- 3.11 The revised Code has gone to the Licensing Committee who made no observations but the Procedure Rules in Appendix A and Appendix B of the revised Code have been adopted by the Licensing Committee.
- 3.12 The revised Code has gone to the Standards Advisory Committee who made certain suggestions and changes were made as follows:

- In paragraph 2.3 the word “man” has been replaced with the word “people”. This was as a result of an observation that could a more gender neutral term be used.
- In paragraph 5.8 the words “at the start of the meeting and, in any event,” have been added. This was to reinforce that declarations of interests should be made at the start of meetings.
- Also in paragraph 5.8 the words “provided that the personal interest is not so significant that there is a real possibility of bias or predetermination and which is likely to prejudice the Councillor’s judgement of the public interest (see 5.9 below)” have been added at the end of that paragraph. This was as it was felt that they could be additional clarification.
- In paragraph 9.1 the words “does not sit well with the quasi-judicial nature of a Licensing Committee” have been deleted and the words “can cause the perception of bias or predetermination especially” inserted in their stead. Further the words “Being lobbied in advance is therefore incompatible with this high standard” have been deleted from the end of the paragraph. It was felt that part of a councillors’ role was to receive representations on matters of concern and that this role potentially conflicted with the Code. The following additional changes were also made to paragraph 9 as a result of this change as follows:
  - Paragraph 9.2 the word “Therefore” has been deleted and replaced with the words “To avoid such perception,”.
  - Paragraph 9.2(a) the word “objector” has been inserted and the word “only” deleted.
  - Paragraph 9.3 the word “in” has been deleted and replaced with the words “If the Councillor does discuss the case then in”.
  - Paragraph 9.3 the words “As stated in 9.2(c) above, the Councillor must keep an adequate written record of the discussion so as to enable the Member to disclose the fact and nature of such an approach at any relevant meeting of the Licensing Committee” inserted at the end of the paragraph.
  - Paragraph 9.5 the words “As stated in 9.2(c) above, the Councillor must keep an adequate written record of the discussion so as to enable the Member to disclose the fact and nature of such an approach at any relevant meeting of the Licensing Committee” inserted at the end of the paragraph.

3.13 For information, Members are also advised that, in addition to this Code, all the Codes/ Protocols in Part 5 of the Constitution are being reviewed.

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

4.1 There are no financial implications arising from this report, although the revision to the Code of Conduct should reduce the likelihood of successful appeals against decisions made by the Committee and the associated cost of those appeals.

## **5. LEGAL COMMENTS**

- 5.1 Any legal implications are addressed in the body of the report.

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

- 6.1 The provisions of the revised Licensing Code are designed to ensure that licensing decisions are taken on proper licensing grounds; in a fair consistent and open manner; and that Councillors making such decisions are, and are perceived as being, accountable for those decisions. The Code is also designed to assist Councillors in dealing with and recording approaches from applicants, licensees and objectors and is intended to ensure that the integrity of the decision-making process is preserved. In implementing the Code, Councillors will ensure that decisions are taken for Licensing reasons only and should help to achieve the objectives of equality and personal responsibility inherent in One Tower Hamlets.

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

- 7.1 The report does not propose any direct expenditure. Rather, it is concerned with ensuring that licensing decisions are taken on proper licensing grounds; in a fair consistent and open manner; and that Councillors making such decisions are, and are perceived as being, accountable for those decisions. Whilst this might not lead to fewer appeals, the implementation of the Code should result in a much decreased chance of success on such appeals and which should reduce cost implications for the Council on any such appeals.

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

- 8.1 The provisions of the revised Licensing Code are designed to ensure that licensing decisions are taken on proper licensing grounds; in a fair consistent and open manner; and that Councillors making such decisions are, and are perceived as being, accountable for those decisions. It is not considered that there are any environmental implications if this revised Code is ultimately adopted.

**9. RISK MANAGEMENT IMPLICATIONS**

- 9.1 This proposed revision of the Licensing Code of Conduct is designed to ensure that licensing decisions are taken on proper licensing grounds; in a fair consistent and open manner; and that Councillors making such decisions are, and are perceived as being, accountable for those decisions. The overall aim is therefore to reduce risk.

**10. CRIME AND DISORDER REDUCTION IMPLICATIONS**

- 10.1 In considering Licensing applications, the Council has to have regard to Crime and Disorder and by ensuring that licensing decisions are taken on proper licensing grounds this should reduce assist reduce crime and disorder.

---

**Linked Reports, Appendices and Background Documents**

**Linked Report**

- NONE

**Appendices**

- Table 1 - Changed sections and reason for change
- Appendix 1 - Current Licensing Code of Conduct
- Appendix 2 – Proposed Revised Licensing Code of Conduct.

**Local Government Act, 1972 Section 100D (As amended)**

**List of “Background Papers” used in the preparation of this report**

List any background documents not already in the public domain including officer contact information.

- NONE

**Officer contact details for documents:**

- N/A

Table 1: Changed sections and reason for change

	Changes to improve quality/clarity of information or explanation		Additional/ Material changes to the Code affecting members and / or officers	
	Current Version Annex 1	Proposed New Version Annex 2	Current Version Annex 1	Proposed New Version Annex 2
<b>Licencing Code</b>	<ul style="list-style-type: none"> <li>1. Introduction</li> <li>2. Legal Background</li> <li>3. Before the hearing <ul style="list-style-type: none"> <li>3.1 Training for Councillors</li> <li>3.2 Application by a councillor or officer</li> <li>3.3 Lobbying</li> <li>3.5 Discussions before the hearing</li> </ul> </li> <li>4. At the Hearing <ul style="list-style-type: none"> <li>4.2 Conduct at the Hearing</li> </ul> </li> <li>5. Councillors who are not on the committee</li> <li>6. Record Keeping</li> </ul>	<ul style="list-style-type: none"> <li>1. Introduction</li> <li>2. Human rights Act</li> <li>3. Quasi-Judicial Hearings</li> <li>6. Training for Councillors</li> <li>7. Application by Councillor or Officer</li> <li>9. Lobbying</li> <li>10. Pre-hearing Discussions</li> <li>13. Conduct of the Hearing</li> <li>14. Councillors who are not on the committee</li> <li>17. Record Keeping</li> </ul>	<ul style="list-style-type: none"> <li>4.1 Interests</li> </ul>	<ul style="list-style-type: none"> <li>4. Predisposition, Predetermination or Bias</li> <li>5. Interests</li> <li>8. Application by the Council (or where the Council is the landowner)</li> <li>11. Site Visits</li> <li>12 Relationship between members and officers</li> <li>15 Making the Decision</li> <li>16 Appeals</li> <li>18 Procedure Notes</li> </ul>

# APPENDIX 1

## 5.3 Licensing Code of Conduct

### CONTENTS

Section	Subject
1	Introduction
2	Legal Background
3	Before the Hearing
4	At the Hearing
5	Councillors who are not on the Committee
6	Complaints and Record Keeping

#### 1. INTRODUCTION

- 1.1 Most decisions taken by Councillors are administrative in nature. The work of the Licensing Committee is different in that its proceedings are quasi judicial and the rules of natural justice apply. This imposes a new and higher set of standards on those Councillors who are involved in the decision-making process. Failure to abide by these standards may render the Council or individual Councillors open to challenge either through the courts or the Monitoring Officer/Standards Advisory Committee.
- 1.2 This Code provides a set of guidelines for Councillors on the standards which apply to the Licensing Committee. It is part of the Council's ethical framework and should be read in conjunction with the Members' Code of Conduct and the Member/Officer Protocol.

#### 2. LEGAL BACKGROUND

##### 2.1 Human Rights Act

- 2.1.1 The Human Rights Act 1998, which came into full effect on 2 October 2000, incorporated the key articles of the European Convention on Human Rights into domestic law. The Convention guarantees certain basic human rights. As far as possible legislation (including the licensing laws) must be interpreted in such a way as to conform with Convention rights. Decisions on licensing issues are actions of a public authority and so must be compatible with Convention rights.
- 2.1.2 Members of the Committee need to be aware of the rights contained in the Convention when making decisions and in particular:

- **Article 6: Right to a fair trial**

In the determination of a person's civil rights and obligations everyone is entitled to a fair and public hearing within a reasonable time by an independent and impartial tribunal established by law.

- **Article 8: *Right to respect for family and private life***

Everyone has a right to respect for his or her private life, and his or her home and correspondence.

- **Article 1: *of the First Protocol: Protocol of property***

Every natural or legal person is entitled to the peaceful enjoyment of his possessions. No one shall be deprived of his or her possessions except in the public interest and subject to the conditions provided for by law and by the general principles of international law.

- **Article 14: *Prohibition of discrimination***

The enjoyment of the rights and freedoms in the Convention shall be secured without discrimination on any ground such as sex, race, colour, language, religion, political or other opinion, national or social origin, association with a national minority, property, birth or other status.

**2.1.3** Articles 6 and 14 are absolute but most Convention rights are not and in respect of those Articles there are circumstances when an interference with a person's rights is permitted, although any interference with the rights must be proportionate and go no further than is necessary.

## **2.2 Quasi-Judicial Hearings**

**2.2.1** A quasi-judicial hearing is one:

- which affects a person's livelihood;
- which involves disciplinary action; or
- which affects property

**2.2.2** These hearings are subject to the rules of natural justice. Properly applied, the rules of natural justice will ensure that the requirements of the Convention that a hearing is both "fair" and presided over by an "independent and impartial tribunal" are met.



**2.2.3** There are two principles underlying the rules of natural justice. First, all parties must be given a chance to put their case under conditions which do not put one party at a substantial disadvantage to the other party. All parties should be given sufficient notice of the hearing, the applicant should have disclosure of the nature of the objections as well as knowing who is objecting and there should be a right to question witnesses.

**2.2.4** Second, a person who has an interest in an application must be disqualified from considering it. The Licensing Committee must be impartial – not only must there be no actual bias but there must be no perception of bias.

**2.2.5** The procedure rules which govern hearings of the Licensing Committee reflect the requirements of the Human Rights Act and the rules of natural justice. To avoid any allegations of bias or perceived bias, Councillors sitting on the Licensing Committee must strictly observe those procedure rules.

### **3. BEFORE THE HEARING**

#### **3.1 Training of Councillors**

**3.1.1** Because the technical and propriety issues associated with licensing are not straightforward, it is the Council's policy to arrange training on the work of the Licensing Committee for all Councillors who sit on the Committee. Councillors must undertake the training (i) before participating in a meeting of the Committee and (ii) annually while they remain a member of the Committee. For a Member who has previously undertaken the full training and is re-appointed to the Committee for a further year without a break, only a refresher session is required. Other Councillors are free to attend the training in order to gain an understanding of licensing issues.

#### **3.2 Application by a Councillor or Officer**

**3.2.1** The Licensing Committee may need to determine an application submitted by a Councillor or an officer, or by a company or individual with which a Councillor or officer has an interest or relationship. On receipt, the Corporate Director Communities, Localities and Culture will pass a copy of the application to the Monitoring Officer who will satisfy himself/herself that the application can be, and is being, processed and determined without suspicion or impropriety.

### 3.3 Lobbying

- 3.3.1** Councillors may be approached or lobbied by an applicant, agent or objector about a particular licensing application. Lobbying is a normal and perfectly proper part of the political process but it does not sit well with the quasi judicial nature of a Licensing Committee when a Councillor must enter the meeting with an open mind and make an impartial determination on the relative merits of all the evidence presented at the hearing. **Being lobbied in advance is incompatible with this high standard.**
- 3.3.2** If a member is approached s/he should advise the lobbyist to address any comments or concerns to the Corporate Director Communities, Localities and Culture. In no circumstances should a Councillor give an indication of voting intentions or otherwise enter into an unconditional commitment to oppose or support the application. To do so without all relevant information and views would be unfair and prejudicial. A Councillor who feels that s/he has been exposed to undue or persistent lobbying should advise the Monitoring Officer.
- 3.3.3** When attending a public meeting at which a licensing issue is raised, a member of the Licensing Committee should take great care to maintain an impartial role and not express a conclusive view on any pre-application proposals or submitted application.
- 3.3.4** Correspondence received by any member of the Council (whether on the Licensing Committee or not), should be passed without delay to the Corporate Director Communities, Localities and Culture so that all relevant views can be made available to those Councillors or officers responsible for determining the application. A reply by a Councillor should, as a rule, simply note the contents of the correspondence and advise that it has been passed to officers.

### 3.5 Discussions before the Hearing

- 3.5.1** Pre-application discussions – discussion between a potential applicant and representatives of the Council may be of considerable benefit to both parties. Similarly, a meeting between the Council and potential objectors may also be beneficial. However, it would be easy for such discussions to become or be seen (especially by objectors) to become part of a lobbying process. In the circumstances, pre-application discussions should be avoided by members of the Licensing Committee.
- 3.5.2** Post-application discussions – a Councillor should not approach an applicant for a licence in an effort to secure changes to the application. Such an approach would inevitably give rise to allegations of partiality or bias.

**3.5.3** Generally, any contact with applicants should be conducted with and through officers and should always be reported to the Licensing Committee. Requests to a Councillor for a meeting should be passed to the Corporate Director, Communities, Localities and Culture.

### **3.6 Use of the Party Whip**

**3.6.1** The use of a party political whip is inconsistent with the rules of natural justice and should be avoided by Councillors sitting on the Licensing Committee.

## **4. AT THE HEARING**

### **4.1 Interests**

**4.1.1** In order to avoid allegations of bias it is important that Councillors are scrupulous in declaring interests at the hearing.

**4.1.2** A personal interest in a matter arises if a Councillor anticipates that a decision on it might reasonably be regarded as affecting (to a greater extent than other council tax payers, ratepayers or residents of the Council's area) the well-being or financial position of the Councillor, a relative or a friend or

- the employment or business carried out by those persons, or in which they might be investors (above a certain level)
- any of the bodies with which the Councillor is associated, and which the Councillor will have registered in the register of interests.

**4.1.3** When a member considers that s/he has a personal interest, they must declare it at the start of the meeting or as soon as the interest becomes apparent. The full nature of the interest must be declared. The declaration and disclosure of a personal interest does not usually debar a Councillor from participation in the discussion.

**4.1.4** A personal interest becomes a prejudicial interest when a member of the public, with knowledge of the relevant facts, would reasonably regard the interest as so significant that it is likely to prejudice the Councillor's judgement of the public interest. Working closely with an applicant or a group of objectors to achieve a certain outcome, lobbying other Councillors on the Committee or generally declaring voting intentions ahead of the meeting would usually indicate that a Councillor on the Committee has a prejudicial interest.

- 4.1.5 A Councillor with a prejudicial interest cannot participate in the discussion on the application and must leave the room when the discussion on the item begins or as soon as the interest becomes apparent. S/he cannot seek to influence the decision.
- 4.1.6 Being a member for the ward in which particular premises are situated is not necessarily declarable and as a general rule members of the Committee may deliberate on matters affecting their wards provided they do so with an open mind. To underline the openness of proceedings, the Licensing Committee agenda papers show which ward each member represents.
- 4.1.7 More information on what constitutes a personal or prejudicial interest as well as the obligation on Councillors to register their interests is contained in the Code of Conduct for Members set out in Part 5.1 of the Constitution. The ultimate responsibility for fulfilling these requirements rests with individual Councillors but the Council's Monitoring Officer or the Service Head, Democratic Services are available to give advice if required.

## **4.2 Conduct at the Hearing**

- 4.2.1 The essence of the rules of natural justice are that Councillors not only act fairly but are also seen to act fairly. Councillors must follow agreed procedures at all times and should only ask questions at the appropriate points in the procedure. At no time should a Councillor express a view which could be seen as pre-judging the outcome. During the course of the hearing Councillors should not discuss (or appear to discuss) aspects of the case with the applicant, an objector, their respective advisers or any member of the public nor should they accept letters or documents from anyone other than the Clerk.
- 4.2.2 Again, to ensure compliance with the rules of natural justice, Councillors on the Committee must ensure that they hear the evidence and arguments for and against the application. If a Member arrives late for a meeting, s/he will not be able to participate in any item or application already under discussion. Similarly, if a Member has to leave the meeting for any length of time, s/he will not be able to participate in the deliberation or vote on the item or application under discussion at the time of their absence. If a Councillor needs to leave the room, s/he should ask the Chair for a short adjournment.

## **5. COUNCILLORS WHO ARE NOT ON THE COMMITTEE**

- 5.1 A Councillor who is not a member of the Committee may speak at the meeting, with the agreement of the Chair, as an advocate for either the applicant or the objectors. A Councillor wishing to speak should submit a written statement within the consultation period. The applicant has the right to see any objections in advance.

S/he also has a right of reply. The Council will only entertain late objections in exceptional circumstances.

- 5.2** Councillors addressing the Committee should disclose any interests they may have, including the fact that they have been in touch with the applicant, the objectors or their respective agents and whether they are speaking on behalf of any of those people at the meeting.
- 5.3** A Councillor who is not on the Committee but who is at one of its meetings should normally sit apart from the Committee to demonstrate that they are not taking part in the discussion, consideration or vote. S/he should not communicate with Councillors on the Committee or pass papers or documents to them before or during the meeting. They may not attend briefings or accompany the Committee if it retires to deliberate in private.
- 5.4** A Councillor who has submitted an application or who otherwise has an interest in the application, should not attend the meeting at all but should arrange to be represented by others.
- 5.5** Councillors who are opposed in principle to any category of application or form of public entertainment, either in their own ward or borough-wide, should not seek nomination to the Committee.

## **6. RECORD KEEPING**

- 6.1** In order that licensing procedures are undertaken properly and that any complaints can be fully investigated, record keeping will be complete and accurate. Every licensing application file will contain an accurate account of events throughout its life, particularly the outcomes of meetings, significant telephone conversations and any declarations of interests by Members.
- 6.2** The same principles of good record keeping will be observed in relation to all enforcement and licensing matters. Monitoring of record keeping will be undertaken regularly by the Head of Trading Standards and Environmental Health (Commercial) and the Team Leader (Licensing) in the Communities, Localities & Culture Directorate.

# **APPENDIX 2**

### 5.3 Licensing Code of Conduct

#### CONTENTS

<b>Section</b>	<b>Subject</b>
<b>1</b>	Introduction
<b>2</b>	Human Rights Act
<b>3</b>	Quasi-Judicial Hearings
<b>4</b>	Predisposition, Predetermination, or Bias
<b>5</b>	Interests
<b>6</b>	Training of Councillors
<b>7</b>	Application by a Councillor or an Officer
<b>8</b>	Application by the Council (or where the Council is the landowner)
<b>9</b>	Lobbying
<b>10</b>	Pre-hearing discussions
<b>11</b>	Site Visits
<b>12</b>	Relationship between Councillors and Officers
<b>13</b>	Conduct at the Hearing
<b>14</b>	Councillors who are not on the Committee
<b>15</b>	Making the decision
<b>16</b>	Appeals
<b>17</b>	Record Keeping
<b>18</b>	Procedure Notes
<b>Appendix</b>	
<b>A</b>	Rules of Procedure Governing Applications for Premises Licences and other permissions under the Licensing Act 2003
<b>B</b>	Rules of Procedure for Sex Establishment Licences under Section 2 of and Schedule 3 to the Local Government (Miscellaneous Provisions) Act 1982 (as amended)
<b>C</b>	Do's and Do Not's

## 1. INTRODUCTION

- 1.1** The Licensing Code of Conduct has been adopted by Tower Hamlets Council to regulate the performance of its licensing functions that fall within the Terms of Reference for the Licensing Committee. Its major objectives are to guide Councillors and officers of the Council in dealing with licensing related matters and to inform potential licensees and the public generally of the standards adopted by the Council in the exercise of its licensing functions. Except where otherwise stated, references in this Code are to the Licensing Committee and its Sub-Committees and the expression "Licensing Committee" should be interpreted accordingly.
- 1.2** The Licensing Code of Conduct is in addition to the Code of Conduct for Members adopted under the provisions of the Localism Act 2011. Councillors should follow the requirements of the Code of Conduct for Members and apply this Code in light of that Code. Whilst most decisions taken by Councillors are administrative in nature, the work of the Licensing Committee is different in that its proceedings are quasi-judicial and the rules of natural justice apply. This imposes a new and higher set of standards on those Councillors who are involved in the decision-making process.
- 1.3** The provisions of this Code are designed to ensure that licensing decisions are taken on proper licensing grounds, in a fair consistent and open manner and that Councillors making such decisions are, and are perceived as being, accountable for those decisions. The Code is also designed to assist Councillors in dealing with and recording approaches from applicants, licensees and objectors and is intended to ensure that the integrity of the decision-making process is preserved.
- 1.4** This Code is part of the Council's ethical framework and in addition to the Code of Conduct for Members should be read in conjunction with the Member/Officer Protocol. If a Councillor does not abide by the Code then that Councillor may put the Council at risk of proceedings on the legality or maladministration of the related decision and the Councillor may be at risk of either being named in a report to the Standards Advisory Committee or Council. A failure to abide by the Code is also likely to be a breach of the Code of Conduct for Members and which could result in a complaint being made to the Monitoring Officer.
- 1.5** **If a Councillor has any doubts about the application of this Code to their own circumstances they should seek advice early, from the Monitoring Officer and preferably well before any meeting takes place.**

## 2. HUMAN RIGHTS ACT

- 2.1** The Human Rights Act 1998, which came into full effect on 2<sup>nd</sup> October 2000, incorporated the key articles of the European Convention on Human Rights into domestic law. The Convention guarantees certain basic human rights. As far as possible legislation (including the licensing laws) must be interpreted in such a way as to conform to Convention rights. Decisions on licensing issues are actions of a public authority and so must be compatible with Convention rights.
- 2.2** Councillors of the Committee need to be aware of the rights contained in the Convention when making decisions and in particular:

***Article 6: Right to a fair trial***

In the determination of a person's civil rights and obligations everyone is entitled to a fair and public hearing within a reasonable time by an independent and impartial tribunal established by law.



**Article 8: Right to respect for family and private life**

1. Everyone has a right to respect for his or her private life, and his or her home and correspondence.
2. There shall be no interference by a public authority with the exercise of this right except such as is in accordance with the law and is necessary in a democratic society in the interests of national security, public safety or the economic well-being of the country, for the prevention of disorder or crime, for the protection of health or morals, or for the protection of the rights and freedoms of others.

**Article 1: of the First Protocol: Protocol of property**

Every natural or legal person is entitled to the peaceful enjoyment of his possessions. No one shall be deprived of his or her possessions except in the public interest and subject to the conditions provided for by law and by the general principles of international law.

The preceding provisions shall not, however, in any way impair the right of a State to enforce such laws as it deems necessary to control the use of property in accordance with the general interest or to secure the payment of taxes or other contributions or penalties.

**Article 14: Prohibition of discrimination**

The enjoyment of the rights and freedoms in the Convention shall be secured without discrimination on any ground such as sex, race, colour, language, religion, political or other opinion, national or social origin, association with a national minority, property, birth or other status.

- 2.3** Article 6 is an 'absolute' right and cannot be interfered with. This means that these rights can never be detracted from because it is considered to be fundamental to the rights of people. The Licensing Committee's decisions on most licensing functions are subject to independent tribunals, usually the Magistrates' Court, so satisfying the provisions of Article 6. The Licensing Committee must however conduct a fair hearing in accordance with the rules of natural justice.
- 2.4** Article 8 and Article 1 of the First Protocol are both qualified rights and the Council can interfere with these provided that such interference had a clear legal basis. In therefore deciding whether to interfere with this right, Councillors should consider the matter within the framework of a 'fair balance' test. This requires that a balance be struck between the protection of the right of property and the general interests of the community. An interference with a person's rights must be proportionate and go no further than is necessary.
- 2.5** Specifically as to Article 1 of the First Protocol, an existing licence is a possession under this Article and therefore if a person does not currently hold a licence then it will not apply. Article 1 of the First Protocol also has relevance in respect of any third parties objecting to a licensing application, because of their right to the enjoyment of their property.
- 2.6** As to Article 14, whilst this is also an 'absolute' right it does not create an independent right as it only operates to prevent discrimination in the exercise of other convention rights. If there is discrimination however in respect of a particular protected right then there is no need to show a violation of the article giving such right for there to be a breach of Article 14. All it is necessary to show is that there has been discrimination. Accordingly, in exercising its Licensing Functions, the Council must not treat persons differently where such persons are placed in an analogous situation.

### 3. QUASI-JUDICIAL HEARINGS

3.1 A quasi-judicial hearing is one:

- which affects a person's livelihood;
- which involves disciplinary action; or
- which affects property

3.2 These hearings are subject to the rules of natural justice. Properly applied, the rules of natural justice will ensure that the requirements of the Convention that a hearing is both "fair" and presided over by an "independent and impartial tribunal" are met.

3.3 There are two principles underlying the rules of natural justice. First, all parties must be given a chance to put their case under conditions which do not put one party at a substantial disadvantage to the other party. All parties should be given sufficient notice of the hearing and the applicant should have disclosure of the nature of the objections/ representations as well as knowing who is objecting/ making a representation so that they can prepare a response to the points raised in such objections/ representations.

3.4 The rules of natural justice could also include asking questions of other parties. In respect of 'Alcohol and Entertainment Licensing' however, the Licensing Act 2003 (Hearings) Regulations 2005 ('the 2005 Regulations') provide that the hearing should take the form of a discussion led by the authority and cross-examination should not be permitted unless the Licensing Committee considers that cross-examination is required for it to consider the representations, application or notice as the case may require.

3.5 As to sufficient notice of the hearing, in respect of 'Alcohol and Entertainment Licensing', the 2005 Regulations also address this point as they specify the **period of time within which a hearing must be commenced; the minimum time before the hearing that notice should be given; persons to whom notice of hearing is to be given; and the documents to accompany notice of hearing. The 2005 Regulations do provide that a failure to comply with the Regulations does not of itself render the proceedings void but** where there is such an irregularity, the authority shall, if it considers that any person may have been prejudiced as a result of the irregularity, take such steps as it thinks fit to cure the irregularity before reaching its determination.

3.6 The Licensing Committee should always satisfy itself that sufficient notice of the hearing has been given to all parties and if not satisfied, then the Licensing Committee should take such steps as it thinks fit to deal with that issue before reaching its determination and this could include adjourning that application to a later date.

3.7 Second, a person who has an interest in an application must be disqualified from considering it. The Licensing Committee must be impartial – not only must there be no actual bias but there must be no perception of bias.

3.8 The procedure rules which govern hearings of the Licensing Committee reflect the requirements of the Human Rights Act and the rules of natural justice. To avoid any allegations of bias or perceived bias, Councillors sitting on the Licensing Committee must strictly observe those procedure rules.

3.9 The use of a party political whip is inconsistent with the rules of natural justice and must be avoided by Councillors sitting on the Licensing Committee.

#### 4. PREDISPOSITION, PREDETERMINATION OR BIAS

- 4.1** Section 25 of the Localism Act 2011 ('the 2011 Act') provides that a Councillor should not be regarded as having a closed mind simply because they previously did or said something that, directly or indirectly, indicated what view they might take in relation to any particular matter. This reflects the common law position that a Councillor may be predisposed on a matter before it comes to Committee, provided they remain open to listening to all the arguments and changing their mind in light of all the information presented at the meeting. Nevertheless, a Councillor in this position will always be judged against an objective test of whether the reasonable onlooker, with knowledge of the relevant facts, would consider that the Councillor was biased.
- 4.2** As to predetermination, this is a legal concept and is used in situations where a decision maker either has, or appears to have, a closed mind. That is s/he has made up his/her mind in advance of proper consideration of an issue and the merits of an application. Section 25 of the 2011 Act does not amount to the abolition of the concept of predetermination however, as no one should decide a case where they are not impartial or seen to be impartial. Critically, Councillors need to avoid any appearance of bias or of having a predetermined view before taking a decision. Indeed, Councillors should not take a decision on a matter when they are actually biased in favour or against the application, or where it might appear to a fair and informed observer that there was a real possibility of bias, or where a Councillor has predetermined the matter by closing his/her mind to the merits of the decision.
- 4.3** Councillors must not make up their mind on how they will vote on any licensing matter prior to formal consideration of the matter at the meeting of the Licensing Committee and the Councillor hearing the evidence and arguments on both sides. A Councillor should not make comments on Licensing policy or procedures, or make any commitment in advance as to how they intend to vote on a matter, which might indicate that they have closed their mind.
- 4.4** **Any licensing decision made by a Councillor who can be shown to have approached the decision with a closed mind will expose the council to the risk of legal challenge.**
- 4.5** Clearly expressing an intention to vote in a particular way before a meeting (predetermination) is different from where a Councillor makes it clear they are willing to listen to all the considerations presented at the committee before deciding on how to vote (predisposition).
- 4.6** If a Councillor considers that s/he does have a bias or cannot be impartial then they should withdraw from being a Member of the Licensing Committee for that application.
- 4.7** Councillors should note that, unless they have a disclosable pecuniary interest or a significant personal interest (see section 5 below), they will not appear to be predetermined through-
- listening or receiving viewpoints from residents or other interested parties;
  - making comments to residents, interested parties, other Councillors or appropriate officers, provided they do not consist of or amount to prejudging the issue and the Councillor makes clear that they are keeping an open mind;
  - seeking information through appropriate channels; or
  - being a vehicle for the expression of opinion or speaking at the meeting as a Ward Councillor, provided the Councillor explains their actions at the start of the meeting or item and makes it clear that, having expressed the opinion or ward/ local view, they have not committed themselves to vote in accordance with those views and will make up their own mind having heard all the facts and listened to the debate.

#### 4.8 The following advice applies:

- Councillors must not make up their mind, or appear to have made up their mind on how they will vote on any licensing matter prior to formal consideration of the matter at the meeting of the Licensing Committee and of the Councillor hearing evidence and arguments on both sides. This includes deciding or discussing how to vote on any application at any sort of political group meeting, or lobby any other Councillor to do so. If a Councillor has an interest in a local lobby group or charity or pressure group they may appear predetermined by their actions and/or statements made in the past. The Councillor should take advice from the Legal Adviser to the Licensing Committee on how to deal with this.
- It must be noted that if a Councillor is predetermined then taking part in the decision will put the Council at risk of a finding of maladministration and of legal proceedings on the grounds of there being a danger of bias or predetermination or, a failure to take into account all of the factors enabling the proposal to be considered on its merits.
- A Councillor may appear pre-determined where the Council is the landowner, developer or applicant and the Councillor has acted as, or could be perceived as being, a chief advocate for the proposal. This would arise where that through the Councillor's significant personal involvement in preparing or advocating the proposal the Councillor will be, or perceived by the public as being, no longer able to act impartially or to determine the proposal purely on its licensing merits.
- Councillors should recognise that in being a Councillor of a political group they are allowed to be predisposed in relation to licensing policies of the Council or to licensing policies of the Councillor's political party, providing that predisposition does not give rise to a public perception that the Councillor has, due to his/ her political membership, predetermined a particular matter.
- When considering a licensing application, Councillors must:
  - act fairly and openly;
  - approach each application with an open mind; carefully weigh up all relevant issues; and
  - determine each item on its own licensing merits
- And Councillors must not:
  - take into account irrelevant issues;
  - behave in a manner that may give rise to a public perception that s/he may have predetermined the item; and
  - behave in such a manner which may give rise to a public perception that s/he may have been unduly influenced in reaching a decision.

## 5. INTERESTS

5.1 In order to avoid allegations of bias it is important that Councillors are scrupulous in declaring interests at the hearing.

5.2 There are three (3) categories of interests, namely:

- Disclosable pecuniary interests (DPIs);
- Other registerable interests; and
- Non registerable interests

5.3 Chapter 7 of the 2011 Act places requirements on Councillors regarding the registration and disclosure of their pecuniary interests ('DPI') and the consequences for a Councillor taking part in consideration of an issue in the light of those interests. The definitions of DPI taken from the Relevant Authorities (Disclosable Pecuniary Interests) Regulations 2012 are set out in paragraph 5.1

of the Code of Conduct for Members. A Councillor must provide the Monitoring Officer with written details of relevant interests within 28 days of their election or appointment to office. These interests can be either an interest of the Member or an interest (of which the Member is aware) of a spouse, civil partner or a person that the Member is living with as a spouse or civil partner. Any changes to those interests must similarly be notified within 28 days of the Councillor becoming aware of such changes.

- 5.4** A failure to register or declare a DPI or the provision of false or misleading information on registration, or participation in discussion or voting in a meeting on a matter in which a Councillor has a DPI, are criminal offences.
- 5.5** A DPI relating to an item under discussion requires the immediate withdrawal of the Councillor from the Licensing Committee. In certain circumstances, a dispensation can be sought from the Monitoring Officer to take part in that particular item of business and which could arise where the Councillor is the applicant or has made a representation for or against the application.
- 5.6** Having regard to the rules of natural justice and the requirement that a Councillor who has an interest in an application must be disqualified from considering it, then consideration must also be given to other non-DPI personal interests that are either registrable as required by the Code of Conduct for Members or are personal interests that do not require registration.
- 5.7** A personal interest in a matter arises if a Councillor anticipates that a decision on it might reasonably be regarded as affecting (to a greater extent than other council tax payers, ratepayers or residents of the Council's area) the well-being or financial position of the Councillor, a relative or a friend or
- the employment or business carried out by those persons, or in which they might be investors (above a certain level)
  - any of the bodies with which the Councillor is associated, and which the Councillor will have registered in the register of interests.
- 5.8** If a Councillor has a personal interest in any licensing application or other matter before the Licensing Committee then the Member shall, if present, disclose the existence and nature of the interest at the start of the meeting and, in any event, before the matter is discussed or as soon as it becomes apparent. The full nature of the interest must be declared. The declaration and disclosure of a personal interest does not usually debar a Councillor from participation in the discussion or voting provided that the personal interest is not so significant that there is a real possibility of bias or predetermination and which is likely to prejudice the Councillor's judgement of the public interest (see 5.9 below).
- 5.9** The position is different however where a member of the public, with knowledge of the relevant facts, would reasonably regard the personal interest as so significant that there is a real possibility of bias or predetermination and which is likely to prejudice the Councillor's judgement of the public interest. Examples of this are working closely with an applicant or a group of objectors to achieve a certain outcome; lobbying other Councillors on the Committee; acting as an agent for a person pursuing a licensing matter with the Council; or generally declaring voting intentions ahead of the meeting etc.
- 5.10** A Councillor with a personal interest which might appear to a fair and informed observer that there was a real possibility of bias must not participate in the discussion on the application and must leave the room immediately when the discussion on the item begins or as soon as the interest becomes apparent. S/he cannot seek to influence the decision, save that if a member of the public has the right to attend the meeting, make representations, answer questions, or give evidence,

then a Councillor will have the same right. Once the Councillor has exercised that right then the Councillor must withdraw from the room for the rest of that item and play no further part in the discussion or vote.

- 5.11** Being a Councillor for the ward in which particular premises are situated is not necessarily declarable and as a general rule Councillors of the Committee may deliberate on matters affecting their wards provided they do so with an open mind. Councillors should remember, however, that their overriding duty is to the licensing objectives and not to the residents and businesses within their ward. Councillors have a duty to make decisions impartially, and should not improperly favour, or appear to improperly favour, any person, company, group or locality. If a Member feels that they cannot do this then the Member must leave the room when the discussion on the item begins.
- 5.12** More information on what constitutes an interest as well as the obligation on Councillors to register their interests is contained in the Code of Conduct for Members set out in Part 5.1 of the Constitution. The ultimate responsibility for fulfilling these requirements rests with individual Councillors but the Council's Monitoring Officer or the Service Head Legal Services are available to give advice if required.

## **6. TRAINING OF COUNCILLORS**

- 6.1** As the technical and propriety issues associated with licensing are not straightforward, Councillors on the Licensing Committee must participate in a programme of training on the licensing system and related matters agreed by and organised by officers. The programme will consist of compulsory and discretionary elements. The aim of the training is to assist Members in carrying out their role properly and effectively. If a Councillor fails to participate in the compulsory elements of the training this may result in that Councillor being asked to stand down as a Councillor of the Licensing Committee.
- 6.2** Councillors should be aware that training is particularly important for Councillors who are new to the Licensing Committee and for Councillors who have not attended training in the recent past. Other Councillors are free to attend the training in order to gain an understanding of licensing issues.
- 6.3** Where a Member has a genuine difficulty in attending any particular training session officers will try when practicable to accommodate a request for an individual or repeat session.

## **7. APPLICATION BY A COUNCILLOR OR OFFICER**

- 7.1** The Licensing Committee may need to determine an application submitted by a Councillor or an officer, or by a company or individual with which a Councillor or officer has an interest or relationship. For the avoidance of doubt, the term Councillor or an officer includes any former Councillors or officers. In such cases, it is vital to ensure that such application is handled in a way that gives no grounds for accusations or favouritism. Accordingly the matter will be dealt with as follows-
- (a) On receipt of such an application, a copy of the application will be referred to the Corporate Director.
  - (b) The Corporate Director will pass a copy of the application to the Monitoring Officer who will satisfy himself/ herself that the application can be, and is being, processed and determined without suspicion or impropriety.

- (c) If a Councillor or an officer submit their own proposal to the Council which they serve, they must take no part in its processing or the decision making process.
- (d) The Councillor making the application would almost certainly have a DPI and should not address the Committee as the applicant but should appoint an independent agent to represent his/her views.
- (e) Councillors of the Licensing Committee must consider whether the nature of any relationship with the person (either a Member or an officer) making the application requires that they make a declaration of interest and if necessary also withdraw from the meeting.
- (f) In respect of former Councillors or former officers the above requirements shall apply for a period of three (3) years following their departure from the Council.

## **8. APPLICATION BY THE COUNCIL (OR WHERE THE COUNCIL IS THE LANDOWNER)**

- 8.1** Councillors may need to determine an application submitted by the Council for the Council's own land or in respect of land where the Council is the landowner. It is perfectly legitimate for such applications to be submitted to and determined by the Licensing Authority. Applications should be treated with the same transparency and impartiality as those of other applicants so as not to give rise to suspicions of impropriety.
- 8.2** If a Councillor has been heavily committed or involved in an area of policy/issue relating to such an application (e.g. as a Cabinet Member), then that Councillor must consider whether they have an interest which should be disclosed. In such circumstances, the Councillor should seek advice from the Legal Adviser to the Licensing Committee.

## **9. LOBBYING**

- 9.1** Councillors may be approached or lobbied by an applicant, agent or objector about a particular licensing application. This can happen prior to an application being made or at any time after the application is made. Whilst lobbying is a normal and perfectly proper part of the political process, it can cause the perception of bias or predetermination especially when a Councillor must enter the meeting with an open mind and make an impartial determination on the relative merits of all the evidence presented at the hearing.
- 9.2** To avoid such perception, if a Member is approached then s/he should:
  - (a) inform such applicant or agent or interested party/ objector that such approach should be made to officers or to elected Councillors who are not Councillors of the Licensing Committee;
  - (b) forthwith notify in writing to the Monitoring Officer the fact that such an approach has been made, identifying the application, the nature of the approach, by whom it was made, and the action taken by the Member concerned; and
  - (c) keep an adequate written record so as to enable the Member to disclose the fact and nature of such an approach at any relevant meeting of the Licensing Committee.
- 9.3** If the Councillor does discuss the case then in no circumstances should a Councillor give an indication of voting intentions or otherwise enter into an unconditional commitment to oppose or support the application. To do so without all relevant information and views would be unfair and detrimental. As stated in 9.2(c) above, the Councillor must keep an adequate written record of the discussion so as to enable the Member to disclose the fact and nature of such an approach at any relevant meeting of the Licensing Committee.

- 9.4** If a Councillor who is not a Councillor of the Licensing Committee is contacted by an applicant, objector or interested party then that Councillor can discuss the issues raised by their constituent with the appropriate licensing officer and may forward any representations or evidence to that officer, who will, provided it is lawful, include the relevant information in the report to the Licensing Committee. If a Councillor wishes to make their own representations about a matter they should likewise make those representations to the appropriate Licensing officer.
- 9.5** When attending a public meeting at which a licensing issue is raised, a Councillor of the Licensing Committee should take great care to maintain an impartial role and not express a conclusive view on any pre-application proposals or submitted application. As stated in 9.2(c) above, the Councillor must keep an adequate written record of the discussion so as to enable the Member to disclose the fact and nature of such an approach at any relevant meeting of the Licensing Committee.
- 9.6** Correspondence received by any Councillor (whether on the Licensing Committee or not), should be passed without delay to the Corporate Director so that all relevant views can be made available to those Councillors or officers responsible for determining the application. A reply by a Councillor should, as a rule, simply note the contents of the correspondence and advise that it has been passed to officers.
- 9.7** Councillors should not accept gifts or hospitality from any person involved in or affected by licensing application. If a degree of hospitality is entirely unavoidable, then the Councillor must comply with the provisions in the Code of Conduct for Members on Gifts and Hospitality.
- 9.8** Councillors should not become a member of, lead or represent a national charity or local organisation whose primary purpose is to lobby to promote or oppose licensing applications. If a Councillor does then it is likely to appear to a fair and informed observer that there is a real possibility of bias and that Councillor will be required to withdraw from the debate and decision on that matter.
- 9.9** Councillors must also not lobby fellow Councillors regarding their concerns or views nor attempt to persuade them that they should decide how to vote in advance of the meeting at which any licensing decision is to be taken.

## **10. PRE HEARING DISCUSSIONS**

- 10.1** Discussions between a potential applicant and representatives of the Council may be of considerable benefit to both parties. Similarly, a meeting between the Council and potential objectors may also be beneficial. However, it would be easy for such discussions to become or be seen (especially by objectors) to become part of a lobbying process. In the circumstances, pre-application discussions should be avoided by Councillors of the Licensing Committee.
- 10.2** Generally, any contact with applicants and/ or objectors should only be conducted with and through officers and should always be reported to the Licensing Committee. Requests to a Councillor for a meeting should be passed to the Corporate Director.

## **11. SITE VISITS**

- 11.1** If a site visit takes place, its purpose is to gain information relating to the premises which are the subject of the licensing application or revocation to be considered by the Licensing Committee. A site visit may also assist Councillors in matters relating to the context of the application or revocation, the characteristics of the premises and the surrounding area. Councillors should avoid



expressing opinions during site visits to any person present, including other Members. Councillors can, of course, rely upon their own local knowledge.

- 11.2** During site visits, Councillors of the Licensing Committee shall not engage individually in discussion with applicants or objectors.
- 11.3** On site visits applicants, agents, objectors or other interested parties shall only be permitted to point out to Councillors features to look at either on the premises or in the vicinity, which are relevant to the application. No discussion will take place on the merits of the application or revocation.
- 11.4** A Councillor of a Licensing Committee may request a site visit, prior to the meeting of the Committee, in which case their name shall be recorded. They shall provide and a record be kept of:
- (i) their reason for the request; and
  - (ii) whether or not they have been approached concerning the application and if so, by whom

and unless the Councillor provides these at least one week prior to the relevant meeting, a site visit will not proceed.

- 11.5** If any Councillor of the Licensing Committee wishes to informally view an application's site then that viewing must only take place if it can be done from a public place. Councillors of the Licensing Committee shall not enter any premises which are the subject of a licensing application or known by them to be likely to become such in order to meet the agent, applicant, licensee or other interested party, save in the course of a formal accompanied site visit. In exceptional circumstances such as where a Councillor is unable to attend an official site visit that has been arranged, a site visit by an individual Councillor may be carried out provided that the Councillor is accompanied by a licensing officer.

## **12. RELATIONSHIP BETWEEN COUNCILLORS AND OFFICERS**

- 12.1** Councillors of the Licensing Committee shall not attempt in any way to influence the terms of the officers' report upon any application.
- 12.2** Any criticism by Councillors of the Licensing Committee or an officer in relation to the handing of any licence application should be made in writing to the Corporate Director and/ or the Monitoring Officer and not to the Officer handling the application.
- 12.3** If any officer feels or suspects that pressure is being exerted upon him/ her by any Councillor of the Council in relation to any particular application, s/he shall forthwith notify the matter in writing to the Monitoring Officer.
- 12.4** If any officer of the Council who is involved in dealing with any licensing application has had any involvement with an applicant, agent or interested party, whether or not in connection with the particular application being determined, which could possibly lead an observer with knowledge of all the relevant facts to suppose that there might be any possibility that the involvement could affect the officer's judgement in any way, then that officer shall declare this interest in the public register held by the Monitoring Officer and take no part. This public register is to be available for inspection at the Licensing Committee meeting.
- 12.5** No officer of the Council shall engage in any paid work for any licensing matter for which Tower Hamlets is the Licensing Authority other than on behalf of the Council.

### **13. CONDUCT AT THE HEARING**

- 13.1** The essence of the rules of natural justice is that Councillors not only act fairly but are also seen to act fairly. Councillors must follow agreed procedures at all times and should only ask questions at the appropriate points in the procedure. At no time should a Councillor express a view which could be seen as pre-judging the outcome. During the course of the hearing Councillors should not discuss (or appear to discuss) aspects of the case with the applicant, an objector, their respective advisers or any member of the public nor should they accept letters or documents from anyone other than an officer from Democratic Services or the Legal Advisor to the Committee.
- 13.2** Councillors of the Licensing Committee shall refrain from personal abuse and party-political considerations shall play no part in the Committee's deliberations. Councillors shall be respectful to the Chair and to each other and to officers and Members of the public including applicants, their agents and objectors and shall not bully any person.
- 13.3** When questioning witnesses at a meeting of a Licensing Committee, Councillors shall ensure that their questions relate only to licensing considerations relevant to the particular application.
- 13.4** Councillors must ensure that they hear the evidence and arguments for and against the application, in accordance with the rules of natural justice. Councillors must ensure that both the applicant and the objectors receive a fair hearing. Applicants must have the opportunity in advance of the hearing to prepare their case in answer to the objectors/ interested parties/ responsible authorities.
- 13.5** If a Councillor of the Licensing Committee arrives late for a meeting, s/he will not be able to participate in any item or application already under discussion. Similarly, if a Councillor has to leave the meeting for any length of time, s/he will not be able to participate in the deliberation or vote on the item or application under discussion at the time of their absence. If a Councillor needs to leave the room, s/he should ask the Chair for a short adjournment
- 13.6** It is permissible for the Chair of the meeting to curtail statements of parties or witnesses, if they are merely repeating matters which have already been given in evidence.
- 13.7** In considering objections/ representations Councillors are advised that if such are founded on a demonstrable misunderstanding of the true factual position, or otherwise indicate no more than an uninformed reaction to a proposal then they carry no weight whatever and must be ignored. Further Councillors are advised that the mere number of objections irrespective of their content can never be a good reason for refusing an application. What matters are the grounds on which such are based.
- 13.8** Also in considering the application, it may well be that hearsay evidence is presented. Councillors are advised that the strict rules of evidence do not apply in licensing applications and therefore hearsay is admissible. Indeed, hearsay might by its source, nature and inherent probability carry a greater degree of credibility than first hand evidence. What must be discounted, however, are gossip, speculation and unsubstantiated innuendo. In considering hearsay evidence, it should only be accepted where it can fairly be regarded as reliable although Councillors must give the other side a fair opportunity of commenting on it and contradicting it. Ultimately, hearsay evidence must be treated with great reservation by Councillors, who must make an assessment of its weight and credibility.
- 13.9** When new matters are raised as objections by any person at a hearing, the Licensing Committee is not obliged to hear them. However, if Councillors feel that the new matter raised by the objector should be considered, but the applicant needs further time to consider his/her response then the applicant should be offered an adjournment of the meeting (either for a short period during the

meeting itself or if necessary to a new date). (This paragraph does not apply to 'Alcohol and Entertainment Licensing' under the Licensing Act 2003 or 'Gambling Licensing' under the Gambling Act 2005, as new objections cannot be raised at the hearing).

#### **14. COUNCILLORS WHO ARE NOT ON THE COMMITTEE**

- 13.1** A Councillor who is not a member of the Committee may speak at the meeting, with the agreement of the Chair, as an advocate for either the applicant or the objectors. A Councillor wishing to speak should submit a written statement within the relevant consultation period. The applicant has the right to see any objections in advance. S/he also has a right of reply.
- 14.2** Councillors addressing the Committee should disclose any interests they may have, including the fact that they have been in touch with the applicant, the objectors or their respective agents and whether they are speaking on behalf of any of those people at the meeting.
- 14.3** A Councillor who is not on the Committee but who is at one of its meetings should normally sit apart from the Committee to demonstrate that they are not taking part in the discussion, consideration or vote. S/he should not communicate with Councillors on the Committee or pass papers or documents to them before or during the meeting. They may not attend briefings or accompany the Committee if it retires to deliberate in private..
- 14.4** Councillors who are opposed in principle to any category of application or form of public entertainment, either in their own ward or borough-wide, should not seek nomination to the Committee.

#### **15. MAKING THE DECISION**

- 15.1** The decision whether or not to grant a licensing application is a decision for the Councillors of the Licensing Committee only. The assessment of the weight and credibility of evidence is also for Councillors alone to decide.
- 15.2** Councillors shall retire to decide the matter in closed session. The Legal Officer and Democratic Services Officer present at the meeting will retire with them. During such closed session, the Legal Officer will only provide advice on legal issues relating to the application and will assist in the drafting of any proposed conditions to ensure that they are legally enforceable.
- 15.3** In accordance with regulations, Councillors considering applications relating to 'Alcohol and Entertainment Licensing' under the Licensing Act 2003 or 'Gambling Licensing' under the Gambling Act 2005 should disregard any information provided by any party which is not relevant to;
- a) their application, representations or notice (as applicable); and
  - b) the promotion of the licensing objectives or the crime prevention objective where notice has been given by the Police
- 15.4** Councillors will normally return to open session to announce its decision and give reasons for the same but in cases where the prescribed time limit allows for a later determination and it is appropriate to determine the matter within that time then the Chair will advise the parties present that the decision will not be announced then but that the determination will take place within the prescribed time limit and that written notification will be dispatched to all parties advising them of the determination.

- 15.5** Written notice of the decision together with Councillors' reasons will always be given and such notice will set out any rights of appeal against the decision.
- 15.6** Councillors own knowledge of the circumstances surrounding an application is valid provided that they are put to the applicant for a response. In reaching their decision Councillors must have regard to the evidence presented at the hearing, both the documents circulated in advance and the oral evidence. The decision must be based on the evidence alone and Councillors have a duty to ensure that they have regard to all the relevant matters before them and only those matters.
- 15.7** Councillors considering an application have a duty to determine it only on the facts before them relating to that individual case and not decide it as a matter of general policy. Councillors must not make unreasonable decisions that no other reasonable licensing authority would arrive at, having regard to the legal principle of "Wednesbury reasonableness".
- 15.8** In considering applications, Councillors must also have due regard to any Council Policy (e.g. the Council's Statement of Licensing Policy) and any statutory guidance (e.g. Licensing Guidance issued under section 182 of the Licensing Act 2003). Any departure from such should be justified and based on the facts before them.
- 15.9** Councillors should be aware that an unreasonable decision taking into account the above criteria is unlikely to be sustained on appeal. In this instance, the authority foregoes the opportunity to attach terms and conditions to a licence and will likely have to pay costs. The role of officers is to point this out and advise Councillors as to the potential risk of losing an appeal and being required to pay the other parties costs as a consequence. This needs to be balanced with the Council's fiduciary duty towards the local taxpayer in terms of the Council being a public body spending public money.

## **16. APPEALS**

- 16.1** The Licensing Committee's decision is not a final one and applicants (and in certain cases interested parties and responsible authorities) have the right to appeal to the Magistrates Court and beyond in certain cases.
- 16.2** An appeal must be lodged within a prescribed time of receiving written notification of the decision.
- 16.3** On such appeals the hearing takes on an increasingly formalised nature, based solely on the evidence given. The Council will only be able to sustain its defence if it can substantiate its grant or refusal of a licence by relevant admissible evidence. Councillors who consider basing the grant or refusal of a licence on their personal knowledge should be prepared to testify to the relevant facts in any appeal proceedings.
- 16.4** Taking this factor into account along with the real risk of costs against the Council, Councillors must be wary of relying on any matters which could not readily be proved in evidence. Essentially, for Committee decisions to "stand up" on appeal and to avoid costs being awarded against the Authority, decisions to grant or refuse licences or impose conditions must be justified.

## **17. RECORD KEEPING**

- 17.1** In order that licensing procedures are undertaken properly and that any complaints can be fully investigated, record keeping will be complete and accurate. Every licensing application file will contain an accurate account of events throughout its life, particularly the outcomes of meetings, significant telephone conversations and any declarations of interests by Councillors. Records will

be kept in accordance with the Council's Information Governance Framework and, specifically, the Council's Records Management Policy.

**18. PROCEDURE NOTES**

- 18.1** Appendix A to this Code of Conduct sets out the Rules of Procedure Governing Applications for Premises Licences and other permissions under the Licensing Act 2003.
- 18.2** Appendix B to this Code of Conduct sets out the Rules of Procedure Governing Applications for Sex Establishment Licences under Section 2 of and Schedule 3 to the Local Government (Miscellaneous Provisions) Act 1982 (as amended)

**TOWER HAMLETS****LICENSING COMMITTEE**

**RULES OF PROCEDURE  
GOVERNING APPLICATIONS FOR  
PREMISES LICENCES  
AND OTHER PERMISSIONS  
UNDER THE LICENSING ACT 2003**

<b>Date Last Reviewed:</b>	<b>14<sup>th</sup> June 2016</b>
<b>Approved By:</b>	<b>Licensing Committee</b>
<b>Date Approved:</b>	<b>14<sup>th</sup> June 2016</b>
<b>Version No.</b>	<b>2</b>
<b>Document Owner:</b>	<b>Paul Greeno</b>
<b>Post Holder:</b>	<b>Senior Corporate and Governance Lawyer</b>
<b>Date of Next Scheduled Review:</b>	<b>31<sup>st</sup> March 2017</b>

## **1. Interpretation**

- 1.1 These Procedures describe the way in which hearings will be conducted under the Licensing Act 2003, as set out in the Licensing Act 2003 (Hearings) Regulations 2005 (as amended) ('the Hearings Regulations'). The Procedures take into account the Licensing Act (Premises Licences and Club Premises Certificates) Regulations 2005.
- 1.2 Except where otherwise stated, references in this Code are to the Licensing Committee and its Sub-committees and the expression 'Licensing Committee' should be interpreted accordingly.
- 1.3 The Hearings Regulations provide (Regulation 21) that a Licensing Authority shall, subject to the provisions of those Regulations, determine for itself the procedure to be followed at a hearing.
- 1.4 These Procedures, therefore, set out the way in which Licensing Committee Meetings will be conducted under the Licensing Act 2003, following the requirements of the Hearings Regulations.
- 1.5 Proceedings will not be rendered void only as the result of failure to comply with any provision of the Hearings Regulations (Regulation 31) save that in any case of such an irregularity, the Licensing Committee shall, if it considers that any person may have been prejudiced as a result of the irregularity, take such steps as it thinks fit to cure the irregularity before reaching its determination (Regulation 32).

## **2. Composition of Sub-Committee**

- 2.1 The Sub-Committee will consist of three (3) members and no business shall be transacted unless three (3) members of the Licensing Committee are present and able to form a properly constituted Licensing Sub-Committee. In such cases the Chair shall have a second or casting vote.

## **3. Procedure**

- 3.1 The hearing shall take place in public save that the Licensing Committee may exclude the public from all or part of a hearing where it considers that, on balance, it is in the public interest to do so. The parties and any person representing them may be excluded in the same way as another member of the public. Any person so excluded may, before the end of the hearing, submit to the Licensing Committee in writing, any information which, they would have been entitled to give orally had they not been required to leave. Where there are a number of items on the agenda, the adjournment of that item for a short period, whilst another item is heard, may allow this process to be carried out effectively.
- 3.2 The Chair will begin by asking the parties to identify themselves and confirm whether or not they are represented.
- 3.3 The Licensing Committee should always satisfy itself that sufficient notice of the hearing has been given to all parties and if not satisfied, then the Licensing Committee should take such steps as it thinks fit to deal with that issue before reaching its determination and this could include adjourning that application to a later date.
- 3.4 The Licensing Committee will then consider any requests by a party for any other person to be heard at the hearing in accordance with the Regulations. Permission will not be unreasonably withheld provided proper notice has been given.
- 3.5 The Chair will then explain how the proceedings will be conducted, and indicate any time limits that may apply to the parties to the application. In setting time limits, the Licensing Committee will take into account the importance of ensuring that all parties receive a fair hearing, and the importance of

ensuring that all applications are determined expeditiously and without undue delay. Further the Licensing Committee must have regard to the requirement to allow each party an equal amount of time.

- 3.6 If a party considers that any time limit is not sufficient then they should address the Licensing Committee and which will determine accordingly.
- 3.7 If any party has informed the Authority that they will not be attending or be represented at the hearing or any party does not give notice that they will not be attending but fails to attend and is not represented, the Licensing Committee may proceed in their absence or adjourn the hearing if it considers it to be necessary in the public interest. An adjournment will not be considered where due to the operation of the Hearing Regulations it would not be possible to adjourn.
- 3.8 If the Licensing Committee adjourns the hearing to a specified date it must specify the date, time and place to which the hearing has been adjourned and why it is considered necessary in the public interest.
- 3.9 If the Licensing Committee holds the hearing in the absence of a party, it will consider at the hearing the application, representation or notice given by that party.
- 3.10 The Chair will invite an Officer of the Licensing Section to present the report by briefly summarising the application and the number and type of the representations as set out in the papers circulated. The Officer will also advise of any discussions held with the parties; any amendments made to the application; any representations withdrawn; and any agreed conditions that the Licensing Committee is being asked to consider. The Officer shall not give any opinion on the application or ask the Committee to make an inference based on such an opinion.
- 3.11 Members of the Licensing Committee can then ask questions of clarification of the Licensing Officer or seek legal advice from the Legal Adviser to the Licensing Committee if they require in respect of matters raised during the presentation by the Licensing Officer.
- 3.12 The Legal Adviser to the Licensing Committee will then give any relevant legal advice that the Licensing Committee need to take into consideration.
- 3.13 The Chair will then ask the applicant or their representative, if present, to present a summary of the nature and extent of the application. This should be brief, avoid repetition of material already available to the Licensing Committee in the Officer's report or otherwise, and include any reasons why an exception should be made to the Council's Licensing Policy, where appropriate, and respond to the written representations received. The submission may be followed by the evidence of any person who has been given permission by the Committee to give supporting evidence on behalf of the applicant or who has made a representation in favour of the application.
- 3.14 The application is to be presented within the time limit that has been set.
- 3.15 Where an applicant is unrepresented and having difficulty in presenting their application then the Legal Adviser to the Licensing Committee may ask questions of the applicant so that the relevant points are addressed and clarified for the Licensing Committee.
- 3.16 Members of the Licensing Committee may ask questions of the person presenting the case after their address as well as any other person who has spoken in support of the application. Members can also ask questions of the applicant as well as any other person present for the applicant who they consider can assist.



- 3.17 The Legal Adviser to the Licensing Committee may ask questions for the purpose of clarifying points for the Licensing Committee.
- 3.18 The Chair will then ask the persons who have made representations against the application to address the Licensing Committee within the time limit that has been set. They should not repeat what is already set out in their representations or notice or raise new matters. In their address they should provide clarification on any points previously requested by the Council. The submission may be followed by the evidence of any person who has been given permission by the Committee to give supporting evidence.
- 3.19 Members of the Licensing Committee may then ask questions of the persons making representations against the application and any other person who has spoken in support of such representation. Members can also ask questions of any other person present who they consider can assist.
- 3.20 The Legal Adviser to the Licensing Committee may ask questions for the purpose of clarifying points for the Licensing Committee.
- 3.21 Petitions will be treated as representations provided they meet the requirements for relevant representations set out in the Licensing Act 2003. Members should proceed with caution when relying upon petitions used as evidence due to the structure and wording used.
- 3.22 The Licensing Committee will disregard any information given by a party, or any other person appearing at the hearing, which is not relevant to:
- a) their application, representation or notice; and
  - b) the promotion of the licensing objectives or the crime prevention objective where notice has been given by the police
- 3.23 The Chair will intervene at any stage of the hearing to prevent repetitious or irrelevant points being raised.
- 3.24 Cross examination of any party or any other person allowed to appear will not be allowed unless specifically permitted by the Chair.
- 3.25 There is no right for any party to sum up but they may be permitted to do at the discretion of the Chair and within time limits prescribed by the Chair.
- 3.26 The Licensing Committee will consider its decision in private save that the Legal Adviser and Democratic Services Officer will remain with them.
- 3.27 The Licensing Committee will normally return to open session to announce its decision but in cases where the prescribed time limit allows for a later determination and it is appropriate to determine the matter within that time then the Chair will advise the parties present that the decision will not be announced then but that the determination will take place within the prescribed time limit and that written notification will be dispatched to all parties advising them of the determination.
- 4. Exclusions**
- 4.1 In addition to any exclusion under paragraph 3.1 above, The Licensing Committee may require any person attending the hearing who in their opinion is behaving in a disruptive manner to leave the hearing and may refuse to permit the person to return; or allow them to return only on such conditions as Licensing Committee may specify.

- 4.2 Any person so excluded may, before the end of the hearing, submit to the Authority in writing, any information which, they would have been entitled to give orally had they not been required to leave.

**TOWER HAMLETS****LICENSING COMMITTEE**

**RULES OF PROCEDURE  
GOVERNING APPLICATIONS FOR  
SEX ESTABLISHMENT LICENCES  
UNDER SECTION 2 OF AND SCHEDULE 3 TO THE LOCAL GOVERNMENT (MISCELLANEOUS PROVISIONS)  
ACT 1982**

<b>Date Last Reviewed:</b>	<b>22<sup>nd</sup> September 2016</b>
<b>Approved By:</b>	<b>Licensing Committee</b>
<b>Date Approved:</b>	<b>14<sup>th</sup> June 2016</b>
<b>Version No.</b>	<b>2</b>
<b>Document Owner:</b>	<b>Paul Greeno</b>
<b>Post Holder:</b>	<b>Senior Corporate and Governance Lawyer</b>
<b>Date of Next Scheduled Review:</b>	<b>31<sup>st</sup> March 2017</b>

## **1. Interpretation**

- 1.1 These Procedures describe the way in which hearings will be conducted under section 2 of and schedule 3 to the Local Government (Miscellaneous Provisions) Act 1982 as amended.

## **2. Composition of the Licensing Committee**

- 2.1 The Licensing Committee will consist of fifteen (15) members and no business shall be transacted unless at least three (3) members of the Licensing Committee are present and able to form a properly constituted Licensing Committee. The Chair shall have a second or casting vote.

## **3. Procedure**

- 3.1 The hearing shall take place in public save that the Licensing Committee may exclude the public from all or part of a hearing where it considers that, on balance, it is in the public interest to do so. The parties and any person representing them may be excluded in the same way as another member of the public. Any person so excluded may, before the end of the hearing, submit to the Licensing Committee in writing, any information which, they would have been entitled to give orally had they not been required to leave. Where there are a number of items on the agenda, the adjournment of that item for a short period, whilst another item is heard, may allow this process to be carried out effectively.
- 3.2 The Chair will begin by asking the parties to identify themselves and confirm whether or not they are represented.
- 3.3 The Licensing Committee should always satisfy itself that sufficient notice of the hearing has been given to all parties and if not satisfied, then the Licensing Committee should take such steps as it thinks fit to deal with that issue before reaching its determination and this could include adjourning that application to a later date.
- 3.4 The Chair will explain how the proceedings will be conducted, and indicate any time limits that will be imposed on the parties. In setting time limits, the Licensing Committee will take into account the importance of ensuring that all parties receive a fair hearing, and the importance of ensuring that all applications are determined expeditiously and without undue delay. Further the Licensing Committee should allow each party an equal amount of time.
- 3.5 If a party considers that any time limit is not sufficient then they should address the Licensing Committee and which will determine accordingly.
- 3.6 If any party has informed the Authority that they will not be attending or be represented at the hearing or any party does not give notice that they will not be attending but fails to attend and is not represented, the Licensing Committee may proceed in their absence or adjourn the hearing.
- 3.7 If the Licensing Committee adjourns the hearing it should specify the date, time and place to which the hearing has been adjourned.
- 3.8 If the Licensing Committee holds the hearing in the absence of a party, it will consider at the hearing the application or objection given by that party.
- 3.9 The Chair will invite an Officer of the Licensing Section to present the report by briefly summarising the application and the number and type of the representations as set out in the papers circulated. The Officer will also advise of any discussions held with the parties; any amendments made to the application; any objections withdrawn; and any agreed conditions that the Licensing Committee is

being asked to consider. The Officer shall not give any opinion on the application or ask the Committee to make an inference based on such an opinion.

- 3.10 Members of the Licensing Committee can then ask questions of clarification of the Licensing Officer or seek legal advice from the Legal Adviser to the Licensing Committee if they require in respect of matters raised during the presentation by the Licensing Officer.
- 3.11 The Legal Adviser to the Licensing Committee will then give any relevant legal advice that the Licensing Committee need to take into consideration.
- 3.12 The Chair will then ask the applicant or their representative, if present, to state their case. This should avoid repetition of material already available to the Licensing Committee in the Officer's report or otherwise, and include any reasons why an exception should be made to the Sex Establishment Licensing Policy, where appropriate; address, where appropriate, the matters stated in the Sex Establishment Licensing Policy that the Licensing Committee will take into account when considering applications; and respond to the written objections received. The submission may be followed by the evidence of any person who is giving supporting evidence on behalf of the applicant or who has made a representation in favour of the application.
- 3.13 The application is to be presented within any time limit that has been set.
- 3.14 Where an applicant is unrepresented and having difficulty in presenting their application then the Legal Adviser to the Licensing Committee may ask questions of the applicant so that the relevant points are addressed and clarified for the Licensing Committee.
- 3.15 The objectors (or their representative) will be invited to question the applicant.
- 3.16 Members of the Licensing Committee may ask questions of the applicant and/ or their representative as well as any other person who has spoken in support of the application. Members can also ask questions of any other person present for the applicant who they consider can assist.
- 3.17 The Legal Adviser to the Licensing Committee may ask questions for the purpose of clarifying points for the Licensing Committee.
- 3.18 The Chair will then ask objectors against the application to state their case within any time limit that has been set. The objectors should not repeat what is already set out in their objections. In stating their case, the objectors should provide clarification on any points previously requested by the Council. The submission may be followed by the evidence of any person who is giving supporting evidence.
- 3.19 The applicant (or their representative) will be invited to question the objectors.
- 3.20 Members of the Licensing Committee may then ask questions of the objectors and any other person who has spoken given evidence in support. Members can also ask questions of any other person present who they consider can assist.
- 3.21 The Legal Adviser to the Licensing Committee may ask questions for the purpose of clarifying points for the Licensing Committee.
- 3.22 Petitions will be considered but Members should proceed with caution when relying upon petitions used as evidence due to the structure and wording used.
- 3.23 The Chair will intervene at any stage of the hearing to prevent repetitious or irrelevant points being raised.

- 3.24 The objectors (or their representative) will then be permitted to “Sum Up”.
- 3.25 The applicant (or their representative) will then be permitted to “Sum Up”.
- 3.26 The Licensing Committee will consider its decision in private save that the Legal Adviser and Democratic Services Officer will remain with them.
- 3.27 The Licensing Committee will normally return to open session to announce its decision but where they consider it appropriate for the determination to be given at a later time then the Chair will advise the parties present that the decision will not be announced then but that the determination will take place later and that written notification will be dispatched to all parties advising them of the determination.

#### **4. Exclusions**

- 4.1 In addition to any exclusion under paragraph 3.1 above, The Licensing Committee may require any person attending the hearing who in their opinion is behaving in a disruptive manner to leave the hearing and may refuse to permit the person to return; or allow them to return only on such conditions as Licensing Committee may specify.
- 4.2 Any person so excluded may, before the end of the hearing, submit to the Authority in writing, any information which, they would have been entitled to give orally had they not been required to leave.

**DO'S AND DO NOT'S****1. Councillors must:**


- (a) Attend compulsory training sessions;
- (b) Be open minded and impartial;
- (c) Declare any actual interest;
- (d) Listen to the arguments for and against;
- (e) Carefully weigh up all relevant issues;
- (f) Ask questions that relate only to licensing considerations relevant to the particular application;
- (g) Make decisions on merit and on licensing considerations only;
- (h) Respect the impartiality and integrity of the Council's officers;
- (i) Report any lobbying from applicants, agents, objectors or any other Councillor;
- (j) Promote and support the highest standards of conduct; and
- (k) Promote equality and not discriminate unlawfully against any person, and treat all people with respect.

**2. Councillors must not:**

- (a) Be biased or give the impression of being biased;
- (b) Improperly confer an advantage or disadvantage on any person nor seek to do so;
- (c) Act to gain a financial or other benefit for themselves, their family, friends or close associates;
- (d) Place themselves under a financial or other obligation to any individual or organisation that might seek to influence the performance of their duties as a member (e.g. by accepting gifts or hospitality from any person involved in or affected by a licensing application);
- (e) Place themselves in a position where their integrity might reasonably be questioned;
- (f) Participate in a meeting where they have a DPI;
- (g) Participate in a meeting where they have an interest which does or could be reasonably considered as giving rise to bias; and
- (h) Express opinions during any site visit to any person present, including other Members.

This page is intentionally left blank



Non-Executive Report of the:  <b>Council</b>  5 <sup>th</sup> December 2016	 <b>TOWER HAMLETS</b>
<b>Report of:</b> Graham White, Acting Corporate Director, Law Probity and Governance and Deputy Monitoring Officer	<b>Classification:</b> Unrestricted
<b>New Grants Procedure</b>	

<b>Originating Officer(s)</b>	Paul Greeno, Senior Corporate and Governance Lawyer
<b>Wards affected</b>	All wards

### Summary

This report is being written in the anticipation that DCLG will withdraw the Directions in respect of grants permitting decisions in relation to such to be undertaken by the Mayor in a Grants Determination Sub-Committee to be held in public.

### Recommendations:

Council is recommended to:

1. Note that the Mayor has updated his Executive Scheme of Delegation, namely paragraph 6.2 to note that the Mayor has appointed a Grants Determination Sub-Committee and the Mayor has delegated the functions of this Sub-Committee to be carried out by the Sub-Committee collectively;
2. As the Executive Scheme of Delegation is included at Rule 3 of these Executive Procedure Rules contained with Part 4.4 of the Constitution, note that the amended Executive Procedure Rules as contained in Appendix 1 will be added to the Constitution.
3. As there is now a Grants Determination Sub-Committee, the Mayor has also provided Terms of Reference for the Grants Determination Sub-Committee and which will be added to part 3.4 of the Constitution, i.e. The Executive, as contained in Appendix 2 and which will also be added to the Constitution.
4. To agree that the Constitution be amended by the addition of the new Executive Scheme of Delegation at Appendix 1 and the new part 3.4 of the Constitution at Appendix 2

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

- 1.1 The Council's Constitution provides that all executive functions of the Council except those reserved to DCLG Commissioners by the Directions of 17 December 2014 are vested in the Mayor. The Mayor may exercise those functions himself, or may delegate specified executive functions to be exercised by the Cabinet meeting, a Cabinet committee, an individual Cabinet Member or an officer; or under the provisions of Section 236 of the Local Government and Public Involvement in Health Act 2007 only, by a ward councillor.
- 1.2 As the potential withdrawal of the Directions in respect of grants is predicated on decisions in relation to grants being taken by the Mayor in a public meeting then this is achieved by the Mayor setting up a Sub-Committee of Cabinet, namely the Grants Determination Sub-Committee. The Membership of this Sub-Committee is the Mayor and three (3) other Executive Members (to be appointed) or their nominees. The quorum of this Sub-Committee is three (3) and specific Terms of Reference agreed.

## **2. ALTERNATIVE OPTIONS**

- 2.1 None. The Mayor has established the Grants Determination Sub-Committee. Likewise the Mayor has determined the Terms of Reference. These are now in place. The changes to the Constitution are not necessary to give effect to these changes but as a matter of good governance, it is appropriate to advise Council of these changes and ask for Council to agree the revisions to the Constitution.

## **3. DETAILS OF REPORT**

- 3.1 The power of the commissioners to make decisions in relation to grants arises from directions made by the Secretary of State on 17 December 2014 pursuant to powers under sections 15(5) and 15(6) of the Local Government Act 1999 (the Directions). Paragraph 4(ii) and Annex B of the Directions together provide that, until 31<sup>st</sup> March 2017, the Council's functions in relation to grants will be exercised by appointed Commissioners, acting jointly or severally. This is subject to an exception in relation to grants made under section 24 of the Housing Grants, Construction and Regeneration Act 1996, for the purposes of section 23 of that Act (disabled facilities grant).
- 3.2 In anticipation of DCLG withdrawing the Directions, it has been necessary to consider what procedural and constitutional changes are required and what steps need to be undertaken to do this.
- 3.3 Firstly, pursuant to the Constitution, the Executive is responsible for all functions of the authority that are not reserved to the Council by the law or by this Constitution or have been allocated to DCLG Commissioners by the

Directions of 17 December 2014. Decisions in relation to Grants are executive functions.

- 3.4 Further, the Constitution provides that all executive functions of the Council except those reserved to DCLG Commissioners by the Directions of 17 December 2014 are vested in the Mayor. The Mayor may exercise those functions himself, or may delegate specified executive functions to be exercised by the Cabinet meeting, a Cabinet committee, an individual Cabinet Member or an officer; or under the provisions of Section 236 of the Local Government and Public Involvement in Health Act 2007 only, by a ward councillor.
- 3.5 As the potential withdrawal of this part of the Directions is predicated on decisions in relation to grants being taken by the Mayor in a public meeting then the Mayor has set up a Sub-Committee of Cabinet, namely the Grants Determination Sub-Committee. The Membership of this Sub-Committee consists of the Mayor and three (3) other Executive Councillors (to be appointed) or their nominees who must also be Executive Councillors. The quorum of this Sub-Committee is 3. The Mayor has also determined the Terms of Reference for the Grants Determination Sub-Committee. Further, the Mayor has delegated the functions of this Sub-Committee to be carried out by the Sub-Committee collectively.
- 3.6 As an Executive Meeting, the normal rules in respect of publication etc. still apply. The Mayor will also invite a Commissioner to attend the Grants Determination Sub-Committee and although not a member, the Commissioner will be given the opportunity to comment on applications.
- 3.7 Further, the Grants Scrutiny Sub-Committee will still provide a pre-scrutiny of grants by:
  - (a) Reviewing and/or scrutinising decisions made or actions taken in connection with the discharge of the Council's grants;
  - (b) Advising the Grants Determination Sub-Committee of key issues/questions arising in relation to grants reports due to be considered by the Grants Determination Sub-Committee; and
  - (c) Making reports and/or recommendations to the Grants Determination Sub-Committee in connection with the discharge of grants functions.

In that regard, the Chair of the Grants Scrutiny Sub-Committee or his/ her nominee will also be invited to attend the Grants Determination Sub-Committee to give the view of the Grants Scrutiny Sub-Committee in relation to grants reports due to be considered by the Grants Determination Sub-Committee.

- 3.8 As the Grants Determination Sub-Committee will replace the Commissioners' Decision Making Meetings then the schedule of meetings will be the same as those for the Commissioners' Decision Making Meetings.

- 3.9 For all of this to be achieved, the Mayor has amended the Executive Scheme of Delegation (see Appendix 1) and has provided Terms of Reference for the Grants Determination Sub-Committee (see Appendix 2). The Mayor has then provided to the Acting Monitoring Officer the updated scheme and Terms of Reference.
- 3.10 This report to full Council is advising of these changes and that the Executive Scheme of Delegation contained in the Executive Procedure Rules at Part 4.4 of the Constitution require revision and that Part 3.4 setting out the responsibilities for Functions of the Executive also require revision.
- 3.11 All officer delegations agreed by the Commissioners will require to be re-determined by the Mayor.

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

- 4.1 There are no financial implications arising from this report.

#### **5. LEGAL COMMENTS**

- 5.1 Relevant comments upon the appropriate legal framework are contained in the body of the report. There are no immediate legal implications arising from this report.

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

- 6.1 This is a continuation of the Council's improvement to its organisational culture. These proposed revisions will lead to better efficiency, transparency and accountability of decision making and which should help to achieve the objectives of equality and personal responsibility inherent in One Tower Hamlets.

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

- 7.1 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.
- 7.2 By virtue of Directions made by the Secretary of State on 17 March 2015 the Council was required to draw up and agree with the Commissioners a strategy and action plan for securing the Authority's compliance with the best value duty. Part of that plan included recommendations regarding Organisational Culture and as part of this, the Commissioners have identified steps that the Council are required to take to allow decision making in respect

of grants. Therefore, whilst the report does not propose any direct expenditure, it is looking to put in place arrangements in the exercise of its functions having regard to efficiency and thereby also economy and effectiveness.

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

8.1 There are no environmental implications associated with this strategy.

## **9. RISK MANAGEMENT IMPLICATIONS**

9.1 These proposed revisions will lead to better efficiency, transparency and accountability of decision making. The overall aim is therefore to reduce risk.

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

10.1 There are no crime and disorder reductions implications.

---

### **Linked Reports, Appendices and Background Documents**

#### **Linked Report**

NONE

#### **Appendices**

- Appendix 1: Revised Part 4.4 of the Constitution
- Appendix 2: Revised Part 3.4 of the Constitution

#### **Local Government Act, 1972 Section 100D (As amended)**

##### **List of "Background Papers" used in the preparation of this report**

- NONE.

#### **Officer contact details for documents:**

- N/A

## APPENDIX 1

### 4.4 Executive Procedure Rules

#### CONTENTS

<b>Rule</b>	<b><u>Subject</u></b>
<b>1</b>	How Does the Executive Operate?
<b>2</b>	How are Executive Meetings Conducted?
<b>3</b>	The Mayor's Executive Scheme of Delegation

#### 1. HOW DOES THE EXECUTIVE OPERATE?

##### 1.1 Who May Make Executive Decisions?

In law, functions which are the responsibility of the Executive may be exercised by

- (a) The Mayor
- (b) The Executive as a whole (the Cabinet) ;
- (c) A Committee of the Executive;
- (d) An individual Member of the Executive;
- (e) The Chief Executive, a Chief Officer or an officer;
- (f) An area Committee; or a ward councillor in accordance with Section 236 of the Local Government and Public Involvement in Health Act 2007;
- (g) joint arrangements; or
- (h) another local authority;

subject to the Mayor or this Constitution giving delegated authority to the person/meeting listed to discharge the particular function.

The arrangements for the discharge of executive functions at Tower Hamlets are set out in the executive arrangements adopted by the Council (see Part 2, Article 7 and Part 3 of this Constitution) and the Executive Scheme of Delegation at Rule 3 of these Rules.

Currently decisions on executive functions are taken by the Mayor, either at the Cabinet meeting or separately, unless the Mayor has delegated either a function as set out in those parts of the Constitution or a specific executive decision.

## **1.2 The Executive Scheme of Delegation and Executive Functions**

At the Annual Meeting of the Council the Mayor will present to the Council a written record of delegations made by the Mayor ('The Executive Scheme of Delegation') for inclusion in the Council's Constitution. The document presented by the Mayor must contain the following information in so far as it relates to executive functions:

- (a) The extent of any authority delegated to any individual Executive Member or ward councillor including details of the limitation on their authority.
- (b) The terms of reference and constitution of such Executive Committees as the Mayor appoints and the names of Executive Members appointed to them.
- (c) The nature and extent of any delegation of executive functions to area Committees, any other authority or any joint arrangements and the names of those Executive Members appointed to any joint Committee for the coming year.
- (d) The nature and extent of any delegation of executive functions to officers not already specified in Part 3 of this Constitution, with details of any limitation on that delegation and the title of the officer to whom the delegation is made.

The Mayor may amend or revoke any delegation of an Executive function at any time.

The Executive Scheme of Delegation shall be included at Rule 3 of these Rules.

Within five (5) working days of agreeing any change to the Executive Scheme of Delegation, a Cabinet appointment or portfolio, the Mayor shall present a written record of the change that s/he has agreed, together with the reasons for that change, to the Monitoring Officer.

Whenever the Monitoring Officer receives notification from the Mayor of any change(s) to the Executive Scheme of Delegation, Cabinet appointment(s) or portfolio(s), the Monitoring Officer will inform all Councillors of the change(s) made and any reasons given by the Mayor.

## **1.3 Sub-Delegation of Executive Functions**

- (a) Where the Mayor, the Executive, a Committee of the Executive or an individual Member of the Executive is responsible for an executive function, they may delegate further to an area Committee, joint arrangements or an officer.
- (b) Unless the Mayor directs otherwise, if the Mayor delegates functions to the Executive then the Executive may delegate further to a Committee of the Executive or an officer.

- (c) Unless the Mayor directs otherwise, a Committee of the Executive to whom functions have been delegated may delegate further to an officer.
- (d) Even where executive functions have been delegated, that fact does not prevent the discharge of delegated functions by the person or body who delegated them.

#### **1.4 The Council's Scheme of Delegation and Executive Functions**

- (a) Subject to (b) below, the Council's Scheme of Delegation will be subject to adoption by the Council and may only be amended by the Council. It will contain the details required in Part 2, Article 7 and set out in Part 3 of this Constitution.
- (b) The Mayor may amend the Scheme of Delegation of executive functions at any time during the year. To do so, the Mayor must give written notice to the Monitoring Officer and the person, body or Committee concerned. The notice must set out the extent of the amendment to the Scheme of Delegation, and whether it entails the withdrawal of delegation from any person, body or Committee or the Executive as a whole. The Monitoring Officer will inform all Councillors of the change(s) made and any reasons given by the Mayor.
- (c) Where the Mayor seeks to withdraw or amend delegations to a Committee, notice will be deemed to be served on that Committee when it has been served on its Chair.

#### **1.5 Interests**

- (a) Where a Member of the Executive has a disclosable pecuniary interest this should be dealt with as set out in the Council's Code of Conduct for Members at Part 5.1 of this Constitution.
- (b) If every Member of the Executive has either a registerable or non-registerable interest and either interest might appear to a fair and informed observer that there was a real possibility of the Members' judgement being or likely to be impaired by the interest then this also should be dealt with as set out in the Council's Code of Conduct for Members in Part 5.1 of this Constitution.
- (c) Where a Member of the Executive has either a registerable or non-registerable interest and either interest might appear to a fair and informed observer that there was a real possibility of the Member's judgement being or likely to be impaired by the interest then this should be dealt with as set out in the Council's Code of Conduct for Members at Part 5.1 of this Constitution.
- (d) If the exercise of an executive function has been delegated to a Committee of the Executive, an individual Member, the Chief Executive, a Chief Officer or an officer, and should a disclosable pecuniary interest arise, then the function will be exercised in the first instance by the person or body by whom the



delegation was made or otherwise as set out in the Council's Code of Conduct for Members at Part 5.1 of this Constitution.

- (e) If the exercise of an executive function has been delegated to a Committee of the Executive, an individual Member, the Chief Executive, a Chief Officer or an officer, and should either a registerable or non-registerable interest and either interest might appear to a fair and informed observer that there was a real possibility of that person's judgement being or likely to be impaired by the interest arise, then the function will be exercised in the first instance by the person or body by whom the delegation was made or otherwise as set out in the Council's Code of Conduct for Members at Part 5.1 of this Constitution..

## **1.6 Meetings of the Cabinet**

- (a) Meetings of the Cabinet will be determined by the Mayor or Chief Executive. The Cabinet shall normally meet at the Council's main offices or at another location as appropriate.
- (b) Meetings of the Cabinet will be subject to the Access to Information Procedure Rules and any other relevant procedure rules in this Constitution.

## **1.7 Quorum**

The quorum for a meeting of the Executive shall be three (3) Members

## **1.8 How are Decisions to be taken by the Executive?**

- (a) Executive decisions which are the responsibility of the Cabinet as a whole will be taken at a meeting convened in accordance with the Access to Information Rules in Part 4 of the Constitution.
- (b) Where executive decisions are delegated to a Committee of the Executive, the rules applying to executive decisions taken by them shall be the same as those applying to those taken by the Executive as a whole.

## **2. HOW ARE EXECUTIVE MEETINGS CONDUCTED?**

### **2.1 Who Presides?**

If the Mayor is present s/he will preside. In her/his absence, then the Deputy Mayor shall preside. In the absence of both the Mayor and the Deputy Mayor, then a person appointed by those present shall preside.

## **2.2 Who may Attend?**

- (a) Meetings of the Cabinet will normally be open to the public unless confidential or exempt information is to be discussed.
- (b) Subject to the Access to Information Procedure Rules in Part 4 of this Constitution, meetings may occasionally be private.

## **2.3 What Business?**

At each meeting of the Cabinet the following business will be conducted:

- (a) consideration of the minutes of the last meeting;
- (b) declarations of disclosable pecuniary interest, if any;
- (c) matters set out in the agenda for the meeting, and which shall indicate which are key decisions and which are not, in accordance with the Access to Information Procedure Rules set out in Part 4 of this Constitution.
- (d) consideration of reports from the Overview and Scrutiny Committee;
- (e) matters referred to the Executive (whether by the Overview and Scrutiny Committee or by the Council) for reconsideration by the Executive in accordance with the provisions contained in the Overview and Scrutiny Procedure Rules or the Budget and Policy Framework Procedure Rules set out in Part 4 of this Constitution;

The Mayor or other person presiding at a meeting of the Cabinet may at his/her discretion allow persons other than Cabinet members to contribute to the meeting. This may include an informal 'question time' to the Mayor and/or Cabinet Members.

## **2.4 Community Engagement/ Consultation**

All reports to the Executive from any Member of the Executive or an officer on proposals relating to the Budget and Policy Framework must contain details of the nature and extent of community engagement or consultation with stakeholders, Overview and Scrutiny Committee and the outcome of that consultation. Reports about other matters will set out the details and outcome of consultation as appropriate. The level of community engagement or consultation required will be appropriate to the nature of the matter under consideration having due regard to the Council's Community Engagement Strategy.

## **2.5 Who can put Items on the Executive Agenda?**

The Mayor and Chief Executive may put on the agenda of any Cabinet meeting any Executive matter which s/he wishes, whether or not authority has been delegated to the Cabinet, a Committee of it, any Member, the Chief Executive, a Chief Officer or

officer in respect of that matter. The Corporate Director, Law, Probity and Governance will comply with their requests in this respect.

The Monitoring Officer and/or the Chief Finance Officer may include an item for consideration on the agenda of a Cabinet meeting and may require the Chief Executive to call such a meeting in pursuance of their statutory duties. In other circumstances, where any two (2) of the Head of Paid Service, Chief Finance Officer and Monitoring Officer are of the opinion that a meeting of the Cabinet needs to be called to consider a matter that requires a decision, they may jointly call a meeting and include an item on the agenda of that meeting or of a Cabinet meeting which has already been called. If there is no meeting of the Cabinet soon enough to deal with the issue in question, then the person(s) entitled to include an item on the agenda may also require that a meeting be convened at which the matter will be considered.

## **2.6 Application of Council Procedure Rules**

Rules 9, 10, 17.1 to 17.3 and 18 to 25 of the Council Procedure Rules (Part 4.1 of this Constitution) shall also apply to meetings of the Cabinet.

## **2.7 Public Engagement at Cabinet**

Whilst the main focus of Cabinet is as a decision-making body, there is an opportunity for the public to contribute through making submissions that specifically relate to the reports that are set out on the agenda. Members of the public may therefore make written submissions in any form (for example; Petitions, letters, written questions) and which to be submitted to the Clerk to Cabinet (whose details are on the agenda front sheet) by 5 pm the day before the meeting. The consideration of such written submissions will be at the discretion of whosoever presides at the meeting.

### **3. THE MAYOR'S EXECUTIVE SCHEME OF DELEGATION**

**With effect from xxxxxxxx**

#### **PART A - EXECUTIVE SCHEME OF DELEGATION**

##### **1. PURPOSE**

1.1 The purpose of this Executive Scheme of Delegation is to:-

- (a) be clear about who can make which executive decisions including Key Decisions;
- (b) facilitate the smooth running of Council business;
- (c) ensure that the Mayor is able to provide effective strategic leadership for the overall policy direction of the Council and to promote partnership working with other agencies; and that officers take responsibility for operational matters and policy implementation.

##### **2. THE CONSTITUTION**

2.1 Once presented by the Mayor to the Annual Council Meeting or to the Monitoring Officer, this Executive Scheme of Delegation will form part of the Council's Constitution and will be appended to it. Its provisions apply alongside the Council Procedure Rules (Part 4.1) and Access to Information Procedure Rules (Part 4.2) provisions included in the Constitution.

##### **3. AMENDMENTS TO THE EXECUTIVE SCHEME OF DELEGATION**

3.1 This Scheme of Delegation remains in force for the term of office of the Mayor unless and until it is amended or revoked by the Mayor in accordance with Rule 1.2 of the Executive Procedure Rules.

##### **4. NON-EXECUTIVE DECISIONS**

4.1 No delegated power in this Executive Scheme of Delegation applies to any decision that relates to a matter that is not an Executive function either by law or by the allocation of local choice functions under the Council's Constitution.

## 5. THE COMPOSITION OF THE EXECUTIVE

5.1 The Executive shall consist of ten (10) people, namely the Mayor and nine (9) Councillors as set out below:-

Name	Portfolio
Mayor John Biggs	Executive Mayor Specific responsibility for Partnerships, Policy, Strategy & Performance
Councillor Sirajul Islam	Statutory Deputy Mayor and Cabinet Member for Housing Management & Performance Deputy Mayor Responsible also for - Work with Faith Communities - Welfare Reform Response
Councillor Rachel Saunders	Deputy Mayor for Education & Children's Services & the Third Sector Cabinet Member for Education and Children's Services Deputy Mayor Responsible also for - Grants & Third Sector
Councillor Shiria Khatun	Deputy Mayor for Community Affairs Cabinet Member for Community Safety Deputy Mayor Responsible also for - Community Cohesion - Tackling Radicalisation
Councillor Rachael Blake	Cabinet Member for Strategic Development
Councillor Joshua Peck	Cabinet Member for Work & Economic Growth
Councillor Amy Whitelock Gibbs	Cabinet Member for Health and Adult Services
Councillor Asma Begum	Cabinet Member for Culture
Councillor Ayas Miah	Cabinet Member for Environment
Councillor Josh Peck	Cabinet Member for resources

## 6. DELEGATIONS TO THE EXECUTIVE

6.1 The Mayor has not delegated any decision-making powers to the Executive acting collectively save for Grants Determination Sub-Committee (see paragraph 6.2 below).

6.2 The Mayor may, in accordance with Rule 1.2 of the Executive Procedure Rules, appoint such committees of the Executive as he considers appropriate from time to time and he appoints the following at this time:

- King George's Fields Charity Board
- The Grants Determination Sub-Committee (and the Mayor has delegated the functions of this Sub-Committee to be carried out by the Sub-Committee collectively)

6.3 Subject to the Mayor's prerogative to make decisions on all matters relating to all his statutory powers, the Mayor delegates to each Cabinet Member individually the power to make decisions on matters within their portfolio after consultation with the Mayor and subject to the Mayor raising no objection to the proposed decision. Any such decision by a cabinet member will be subject to a written report and the same procedure as applies to mayoral executive decisions.

6.4 In accordance with section 14(6) of the Local Government Act 2000 (as amended), any arrangements made by the Mayor for the discharge of an executive function by an executive member, committee or officer are not to prevent the Mayor from exercising that function.

## **7. DELEGATIONS TO OFFICERS**

7.1 The Mayor has delegated to officers decision making powers in relation to Executive functions as set out at Parts 3 and 8 of the Council's Constitution.

## **8. OTHER DELEGATIONS**

8.1 The Mayor has not delegated any powers to any area committee, or to any ward Councillor in accordance with section 236 of the Local Government and Public Involvement in Health Act 2007.

8.2 The Mayor has delegated powers to joint arrangements with other local authorities as set out in Part 2, Article 11 and Part 3.3.22 of the Council's Constitution

8.3 Subject to paragraph 8.2 above, the Mayor has not delegated any powers to any other local authority.

---

**PART B - PROCESS FOR EXECUTIVE DECISION MAKING  
BY THE MAYOR OR A CABINET MEMBER**

1. Where an Executive decision, including a Key Decision, falls to be made and either:-
  - (a) authority to make that decision has not been delegated by the Mayor under this Executive Scheme of Delegation; or
  - (b) authority has been delegated but the person or body with delegated powers declines to exercise those powers; or
  - (c) authority has been delegated but the Mayor nevertheless decides to take the decision himself,

the decision shall be made by the Mayor individually, after consultation with the Monitoring Officer, the Chief Finance Officer and such other Corporate Director(s), the Head of Paid Service or Cabinet Member(s) as required.
2. Executive decisions (including Key Decisions) to be taken by the Mayor in accordance with paragraph 1 above shall either be taken:-
  - (a) at a formal meeting of the Executive, notice of which has been given in accordance with the Executive Procedure Rules (Part 4.4) of the Constitution and to which the Access to Information Rules (Part 4.2) of the Constitution shall apply; or
  - (b) in accordance with the procedure at paragraph 5 below.
3. In the case of a decision taken at a formal meeting of the Executive, the Mayor will take the decision having received written and oral advice from appropriate officers and consulted those members of the Executive present. In the event that a meeting of the Executive is not quorate, the Mayor may still take any necessary decisions having consulted any Executive members present. All Mayoral decisions taken at a formal meeting of the Executive shall be recorded in the minutes of the meeting.
4. The Cabinet Meeting is not authorised to exercise the Mayor's powers in the absence of the Mayor. If the Mayor is unable to act for any reason, and only in those circumstances, the Deputy Mayor is authorised to exercise the Mayor's powers.
5. The Mayor may at his discretion make a decision in relation to an Executive function, including a Key Decision, alone and outside the context of a meeting of the Executive. In relation to any decision made by the Mayor under this provision:-
  - (a) The decision may only be made following consideration by the Mayor of a full report by the relevant officer(s) containing all relevant information, options and recommendations in the same format as would be required if the decision were to be taken at a meeting of the Executive;

- (b) The provisions of the Overview and Scrutiny Procedure Rules in relation to call-in, including the rules regarding urgent decisions, shall apply;
- (c) In the case of a Key Decision as defined in Part 2, Article 13 of the Constitution, the provisions of the Access to Information Procedure Rules in relation to prior publication on the Forward Plan shall apply; and
- (d) The decision shall not be made until the Mayor has confirmed his agreement by signing a Mayoral Decision Proforma (example attached) which has first been completed with all relevant information and signed by the relevant Chief Officers.

6. All Mayoral decisions taken in accordance with paragraph 5 above shall be:-


- (a) Recorded in a log held by the Democratic Services Manager and available for public inspection; and
- (b) Published on the Council's website;

save that no information that in the opinion of the Corporate Director, Law, Probity and Governance is 'exempt' or 'confidential' as defined in the Council's Access to Information Procedure Rules (Part 4.2) shall be published, included in the decision notice or available for public inspection.

7. Any decision taken by an individual Cabinet Member in relation to any matter delegated to him/her in accordance with paragraph 6 of the Mayor's Executive Scheme of Delegation shall:-

- (a) be subject to the same process and rules as a Mayoral decision in accordance with paragraphs 5 and 6 above; and
- (b) not be made until the Mayor has confirmed in writing that he has no objection to the decision.



<p><b>Individual Mayoral Decision Proforma</b></p> <p>Decision Log No: (To be inserted by Democratic Services)</p>	 <p><b>TOWER HAMLETS</b></p>
<p><b>Report of:</b> [Insert name and title of corporate director]</p>	<p><b>Classification:</b> [Unrestricted or Exempt]</p>
<p>[Insert title here]</p>	

<p><b>Is this a Key Decision?</b></p>	<p><b>Yes / No</b> (Report author to delete as applicable)</p>
<p><b>Decision Notice Publication Date:</b></p>	<p>(Report author to state date of decision notice – either individual notice or within the Forward Plan)</p>
<p><b>General Exception or Urgency Notice published?</b></p>	<p><b>Yes</b> (give details) / <b>Not required</b>  (Report author to delete as applicable)</p>
<p><b>Restrictions:</b></p>	<p>(If restricted state which of the exempt/confidential criteria applies)</p>

**EXECUTIVE SUMMARY**

*(To be completed by Chief Officer seeking the decision)*

.....  
.....

Full details of the decision sought, including reasons for the recommendations and (where applicable) each of the options put forward; other options considered; background information; the comments of the Chief Finance Officer; the concurrent report of the Corporate Director, Law, Probity and Governance; implications for One Tower Hamlets; Risk Assessment; Background Documents; and other relevant matters are set out in the attached report.

**DECISION**

*(Proposed decision to be entered here)*

.....  
.....

**APPROVALS**

**1. (If applicable) Corporate Director proposing the decision or his/her deputy**

I approve the attached report and proposed decision above for submission to the Mayor.

Signed ..... Date .....

**2. Chief Finance Officer or his/her deputy**

I have been consulted on the content of the attached report which includes my comments.

Signed ..... Date .....

**3. Monitoring Officer or his/her deputy**

I have been consulted on the content of the attached report which includes my comments.

(For Key Decision only – delete as applicable)

I confirm that this decision:-

- (a) has been published in advance on the Council’s Forward Plan OR
- (b) is urgent and subject to the ‘General Exception’ or ‘Special Urgency’ provision at paragraph 18 or 19 respectively of the Access to Information Procedure Rules.

Signed ..... Date .....

**4. (If the proposed decision relates to matters for which the Head of Paid Service has responsibility) Head of Paid Service**

I have been consulted on the content of the attached report which includes my comments where necessary.

Signed ..... Date .....

**5. Mayor**

I agree the decision proposed at ..... above for the reasons set out in paragraph ..... of the attached report.

Signed ..... Date .....

## APPENDIX 2

### 3.4 THE EXECUTIVE

#### 3.4.1 Cabinet

<b>Membership:</b> The Mayor and at least two (2) and not more than nine (9) other Executive Councillors appointed by the Mayor.	
<b>Functions</b>	<b><u>Delegation of Functions</u></b>
1. To discharge all functions not specified as the responsibility of the full Council or of any other Committee, where the Mayor has delegated his powers to the Cabinet as set out in the Executive Scheme of Delegation.	Chief Officers and other officers authorised by them have the delegated authority as set out in paragraph 3.2 above and 3.5 below.
2. In relation to any Executive function for which the Mayor has not delegated his powers to the Cabinet, to advise the Mayor on the discharge of that function.	No delegations
3. To refer to the Standards Advisory Committee for consideration any report which contains implications for the Council's ethical framework	No delegations
<b>Quorum:</b> Three (3) Members of the Cabinet	

**The Cabinet may establish Sub-Committees to discharge functions on its behalf but any Cabinet Sub-Committee may only include Cabinet Members.**


### 3.4.2 King George's Fields Charity Board

<b>Membership:</b> All Members of the Cabinet	
<b>Functions</b>	<b>Delegation of Functions</b>
1. To administer the affairs of the King George's Field, Mile End charity, registered number 1077859 and the King George's Field – Stepney (Tredegar Square, Bow) charity, registered number 1088999 and discharge all duties of the Council as sole trustee of these charities.	No delegations
2. To administer the affairs and discharge the duties of trustee of such other charities controlled by the Council as the Executive might authorise.	No delegations
<b>Quorum:</b> Three (3) Members of the Board	

### 3.4.3 Grants Determination Sub-Committee

<b>Membership:</b> The Mayor plus three (3) other Executive Councillors as appointed by the Mayor or their nominees who must also be Executive Councillors	
<b>Functions</b>	<b>Delegation of Functions</b>
1. To determine all applications for grant funding received by the Council.	No delegations
2. To determine all applications for corporate match funding received by the Council.	No delegations
3. The Sub-Committee may delegate decision making to individual officers, provided that the extent of this delegation is made clear and that it is minuted properly	No delegations
4. Where decision making has been delegated, to receive a report advising as to the exercise of a discretion at the next Sub-Committee meeting following the exercise of such discretion.	No delegations
5. To receive quarterly update reports 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 to provide clear delineation where outcomes were not achieved and the reasons for such failure are apparent. Such Monitoring should therefore include measuring performance against the expected outcomes.	No delegations
6. To determine criteria under which grant applications will be considered.	No delegations
<b>Quorum:</b> Three (3) Members of the Committee	

This page is intentionally left blank

Non-Executive Report of the:  <b>COUNCIL</b>  5 December 2016	 <b>TOWER HAMLETS</b>
<b>Report of:</b> Graham White, Interim Service Head, Legal Services and Deputy Monitoring Officer	<b>Classification:</b> Unrestricted
<b>Motions submitted by Members of the Council</b>	

<b>Originating Officer(s)</b>	Matthew Mannion, Committee Services Manager, Democratic Services.
<b>Wards affected</b>	All wards

## SUMMARY

1. Five motions have been submitted by Members of the Council under Council Procedure Rule 13 for debate at the Council meeting on Monday 5 December 2016.
2. The motions submitted are listed overleaf. In accordance with the protocol agreed by the Council on 21<sup>st</sup> May 2008, the motions are listed by turns, one from each group, continuing in rotation until all motions submitted are included. The rotation starts with any group(s) whose motion(s) were not reached at the previous meeting.
3. Motions must be about matters for which the Council has a responsibility or which affect the Borough. A motion may not be moved which is substantially the same as a motion which has been put at a meeting of the Council in the previous six months; or which proposes that a decision of the Council taken in the previous six months be rescinded; unless notice of the motion is given signed by at least twenty Members.
4. There is no specific duration set for this agenda item and consideration of the attached motions may continue until the time limit for the meeting is reached. The guillotine procedure at Council Procedure Rule 9.2 does not apply to motions on notice and any of the attached motions which have not been put to the vote when the time limit for the meeting is reached will be deemed to have fallen. A motion which is not put to the vote at the current meeting may be resubmitted for the next meeting but is not automatically carried forward.

## MOTIONS

Set out overleaf are the motions that have been submitted.

## 12.1 Motion regarding the future of the Tower Hamlets Youth Service

**Proposer:** Councillor Gulam Robbani

**Seconded:** Councillor Oliur Rahman

This Council notes that:

1. Former Mayor Lutfur Rahman had a positive vision for the Youth Service which was expressed, for example, at the Cabinet in April 2012:

“He considered that what really mattered were the young people of Tower Hamlets who represented the future of the Borough and that youth services were provided that benefited them. It was his intention as Mayor that young people in Tower Hamlets received the best youth services and best education possible.”

2. That the main motivations of bringing the Youth Service back in-house were:

- to save money on duplicating management functions and re-invest it in the front line of the service;
- to respond to the Government’s localism agenda;
- to strengthen the Council’s partnership agenda;
- to obtain extra value by, for example, the youth service working effectively.

3. That although bringing the Service back in-house was a decision of the Executive Mayor, councillors were able to discuss the transfer openly within Council structures – for example, Cllr Oliur Rahman was able to explain the decision to the April meeting of the Overview and Scrutiny Committee, at which Cllr Rachael Saunders declared a personal interest on this item as she had “been in receipt of information from some of the service providers managing the contract in question.”

This Council further notes that:

1. The current Mayor’s intention to make a fundamental change in the way that the Youth Service is run (initially on an interim basis) was not mentioned at the Cabinet on 10th May 2016, although planning must have been well underway by then.

2. The Mayor’s intention to make this fundamental change was set out in a briefing paper from the Mayor’s office dated 12th May 2016 which was circulated to all councillors.

3. This paper stated that the interim delivery plan would begin in July, which clearly precludes any wider member involvement (indeed, the paper refers to the decision having been developed in discussion with John Biggs and Cllr Saunders) and a future delivery model will be in place from April 2017 (and there will be full member involvement in options for this model, but how this will happen is not explained).

4. This paper also stated that a gap analysis is underway with a view to there being a programme of procurement and commissioning in June 2016 targeted at local third sector organisations.



5. This paper also states that it is the intention to offer youth services for the rest of this financial year from only eight venues in the borough – despite the fact that youth are often very reluctant to travel far to a formal provision. The paper states that the Council intends to offer an outreach service to encourage you to travel to the formal provision and also to rely, in the interim, on whatever additional services are provided in an un-co-ordinated manner by local charities or voluntary organisations.

This Council further notes that:

1. The Mayor's decision was revealed at the Council's Annual Meeting on 18th May 2016 by Cllr Rachael Saunders in what appeared to be an unplanned announcement. This included Cllr Saunders reading out an email from her mobile phone but not saying who had sent her the email (in sad contrast to her previous openness about who was briefing her).

2. Cllr Saunders stated that "The service has faced allegations of fraud and corruption" and other serious allegations. She also said that "Investigations into these serious allegations are ongoing," and that the Youth Service does not have the capacity to deliver as much as it has in the past. She stated that "we" were working out a service plan which would be based on reduced capacity and on when that had been developed would consideration be given to identifying and filling gaps. She expected the identification of gaps to be finished by June (a couple of weeks after she was speaking) – but did not mention John Biggs's intention to fill these gaps by contracting out parts of the service to third sector organisations (or who, in the event of this being done, would manage these organisations).

3. The Council Communications Office issued a press release on 26th May referring to the change only having been prompted by "historic shortcoming". This announced that an interim delivery model would be adopted "by the summer". It gave details of the interim delivery model and stated that young people's views had been listened to throughout the review process. (The members have yet to see a concrete tangible and evidence of that)

4. There have been a number of reports in the local press since the Council AGM which have reported the detail of various allegations – presumably either on the basis of their own imaginations or on the basis of briefings from unknown parties in the Council which have not been shared with all councillors.

5. That as a result of the way the Mayor and relevant Cabinet Members have dealt with this issue, it is entirely unclear what is happening to the youth service – which has led to a great deal of serious concern among service users and in the wider community.

This Council believes that:

1. If and when there are allegations of corruption or other serious malpractice, these should be investigated in accordance with Council procedures and individuals should be dealt with appropriately. (Independent Group fully supports this approach and have publicly offered to work together for the benefit of young people of Tower Hamlets).

2. That if a service is to be reviewed in order to spend or save money by cutting certain provisions, and/or deliver the service more efficiently or effectively, this should be discussed openly, including with councillors and services users and the wider community rather than playing politics or blame-game.

3. (1) and (2) above should not be confused.

This Council further believes that:

1. The current position, in which the Administration appears to have responded to allegations against individuals by pre-emptively altering the service as a whole, and in which the Youth Service is to be run on an interim delivery model based on reduced capacity and enhanced by some sort of ad-hoc procurement, is ill thought out and poorly planned.
2. The interim service delivery model will, for the rest of this financial year, lead to an increase in Anti-Social Behaviour across the Borough – to the irritation of the whole community, for whom this is already a massive problem.
3. The interim service delivery model will, for the rest of this financial year, incur a risk of extra spending on management and quality assurance of the service – risks which have not been addressed in the little documentation available or in such public statements as have emerged.

This Council resolves that:

1. The current Mayor, John Biggs, should honour his commitment to govern in a transparent manner and he should put on the public record a full account of what has been going on, including what allegations have been made, when these were made, by whom and how - and critically how these are being investigated (releasing as much information as is possible without compromising the investigations or the individuals concerned); what prompted the service review and how it took place; and what his intentions are towards the service.
2. The current Mayor, John Biggs, to immediately stop any further work to drastically reduce and cut the Youth Service provision in the name of interim delivery model and engage in a serious, open, transparent consultation with the young people, residents and stakeholders.
3. The current Mayor, John Biggs, to reverse the decision to close unprecedented number of Youth Centres and look for an alternative way to provide effective, efficient and fit-for-purpose Borough-wide localised youth service provision.
4. The current Mayor, John Biggs, must keep the Youth Service in-house rather than privatising or contracting it out.
5. In the event that the current Mayor, John Biggs, should not agree to do think again, he must issue a statement clarifying how he intends to procure a service to fill in the gaps from the third sector, given that the Commissioners have been running grant-making functions; and he must also issue a comprehensive statement covering which of his chosen eight venues will pick up delivering the service previously provided by centres which John Biggs and Cllr Saunders have closed and how service users whose centres have been closed are expected to access the replacement services, including details of travel arrangements, etc.

## **12.2 Motion regarding the future of school provision in the borough**

**Proposer:** Councillor Andrew Wood

**Seconded:** Councillor Julia Dockerill

This council notes that:

According to the Office of National Statistics the population of the London Borough of Tower Hamlets rose from 211,200 people in 2004 to 284,000 in 2014. This was an increase of 34%.

The Office of National Statistics estimates a further increase of 25% between 2014 and 2024 which will result in a population of 355,400 for the borough, the highest since 1931.

The current 2016 estimate for the Isle of Dogs is that there are 36,000 new homes; either under construction, approved or in consultation (last year the GLA estimated 30,000).

The current draft of the Local Plan estimates that by the year 2020 the Borough will have 25,136 new homes, 49,505 new homes by 2025 and 54,241 by 2031. More than 60% of those new homes will be in the south east of the borough with half being to the south of Crisp Street Market in south Poplar & the Isle of Dogs.

As a result the increased population will require ten new primary schools and three new secondary schools on the Island alone. Currently only five school sites have planning permission and only one of those is guaranteed to be built.

The Greater London Authority and the Mayor of Tower Hamlets are currently negotiating a new housing target for the Isle of Dogs & South Poplar as part of an Opportunity Area Planning Framework, which may result in as many as 50,000 new homes in addition to those already approved.

The council further notes:

Despite the borough having two of the finest potential new secondary school sites in inner London, Wapping London Dock and Westferry Printworks each with an extant planning consent, there is no council activity taking place to bring schools at both of these sites into fruition to meet the needs of the present and future population.

That parents informed of the delay to the provision of a secondary school on the Isle of Dogs have informed local Councillors that they will have to leave the Borough once their children hit secondary school age.

There are also delays in bringing forward other potential sites across the borough.

The Council calls upon the Mayor:

- To urgently bring forward proposals for both the Wapping London Dock and Westferry Printworks schools and to engage local parents in the process.
- To consult on and bring forward a comprehensive borough wide schools strategy utilising all available resources to ensure that educational provision matches the population increase.

### **12.3 Motion regarding Bow School**

**Proposer:** Mayor John Biggs

**Seconder:** Councillor Rachael Saunders

This Council notes the tragic death of Nasar Ahmed who passed away at the Royal London Hospital.

Council notes that Mayor Biggs and Tower Hamlets Council have offered their full support to the police, Bow School and other agencies as the circumstances of his death are thoroughly investigated. Council notes that Mayor Biggs has met the family twice and has committed himself to doing everything he can to support the family.

It is important is that the police, working on behalf of the Coroner's Service, gather the facts quickly and that we learn all the lessons we can from this incident so we can prevent anything similar from ever happening again.

Council further notes that the police have consulted the Health and Safety Executive and agreed to take the lead on an independent investigation. A Metropolitan Police central investigation team will be conducting this investigation as they have the resources and capability to carry out a complex and lengthy enquiry.

This Council resolves to fully support the police, Bow School and other agencies as the circumstances of Nasar Ahmed's' death are investigated.

Tower Hamlets Council resolves to offer all the support it can to Nasar's family, friends and fellow pupils during this extremely difficult time.

## **12.4 Motion on Tackling Air Pollution in Tower Hamlets**

**Proposer:** Cllr Denise Jones

**Seconder:** Cllr Ayas Miah

This Council notes:

1. Poor air quality is a significant problem in Tower Hamlets and we exceed EU limits for air pollution across the whole borough
2. Figures from the British Lung Foundation show people in Tower Hamlets are twice as likely to die from lung cancer and other lung diseases than people in London's most well off boroughs like Westminster or Kensington & Chelsea
3. Emerging research shows the impact of air pollution on children is particularly devastating, reducing their lung capacity permanently which can lead to a range of health problems
4. Pollution in London is a public health priority, and over 9,400 Londoners – including almost 200 Tower Hamlets residents – die early every year due to air pollution.

This Council welcomes:

1. Strong leadership from the Labour Mayor of London, Sadiq Khan, on tackling London's air pollution, including proposals to bring forward and expand implementation of the Ultra Low Emission Zone and to introduce green buses on London's worst polluted routes from next year
2. Local Mayor John Biggs' public commitment to make improving our air quality a priority for the whole council, working with partners within and beyond the borough, giving a much-needed new local focus to this vital issue
3. Support from our local MPs Jim Fitzpatrick and Rushanara Ali in campaigning on this issue along with residents and raising the issue in Parliament
4. Work already being done by the council with local schools such as Marner Primary and Cubitt Town Junior schools to raise awareness of air pollution and encourage children and families to minimise their exposure and adopt less polluting behaviours.

This Council believes:

1. Tackling air pollution is a matter of social justice – it is unacceptable that people are twice as likely to die from lung diseases if they live in deprived areas like Tower Hamlets compared to more affluent areas of London
2. Improving air quality is an urgent public health priority, given the damaging impacts of pollution particularly on children and vulnerable adults
3. While we are not in full control of air pollution within the borough, there are actions the council can take in relation to planning and development, parking and traffic policies, public health awareness and campaigning, cleaning up our own and partners' fleets, incentivising active travel and use of cleaner vehicles, and greening our public spaces and streets.

This Council resolves:

1. For all councillors to pledge to champion air quality and lead by example by using cleaner travel options as far as possible
2. For all councillors to support the National Park City campaign, which aims to make London a greener, healthier and fairer place to live
3. To call on Mayor Biggs to:

- a. Ensure the forthcoming Air Quality Action Plan is ambitious in its commitments to improve our air quality locally
- b. Consider how to roll out the positive partnership working with local schools to more schools across the borough
- c. Explore investment through the budget process in proven measures and public health campaigns to raise awareness of air pollution in the local community
- d. Explore through the Draft Local Plan (currently out for consultation) all possible measures to improve Air Quality through the planning process.

## 12.5 Motion regarding Housing in Tower Hamlets

**Proposer:** Councillor Sirajul Islam

**Seconder:** Councillor Rajib Ahmed

This Council notes:

1. That our population is growing faster than anywhere in the country with 11,000 additional people living here every year.
2. London's housing market is in crisis. The shortage, cost and quality of housing in the capital is exacerbating the cost of living and making it harder for families to live in London.
3. That Mayor Biggs inherited from his predecessor a scandalous situation where 238 families had been left in temporary B&B accommodation for over six weeks, breaching even the Tory Government's limit for the maximum time a family should have to live in a B&B.
  - a. That all 238 families have been rehoused and now there is not a single Tower Hamlets family in temporary B&B accommodation for more than six weeks.
4. The Government's punitive Housing and Planning Act will only make things harder for boroughs like Tower Hamlets.
  - a. Council further notes that 'Pay to Stay' measures will no longer be mandatory, but discretionary for local authorities.
  - b. The Council's new Housing Strategy, the first in the borough since 2009, will help to protect residents from the worst excesses of the Housing and Planning Act but it cannot stop everything.
5. In the last year over a thousand affordable homes were built in the borough, over 400 more than the year before. More family sized homes at social rents have been built than at any time in the last six years with well over 300 completed in the last year.
6. The Council has rehoused 1,123 overcrowded families last year.
7. The Council has invested millions of pounds to improve and expand our parks, local GP surgeries and schools.
8. Mayor Biggs established an Affordability Commission which looked at high rents and house prices in Tower Hamlets. The Commission put forward several recommendations which were approved by Cabinet, including recommendations to deliver 100% rented housing combining social target rents and homes at 'living rent' and to explore reducing rents on S106 schemes to more affordable levels.
9. A landlord licensing scheme is now in operation in three wards, and will help drive up standards in the private rented sector.

This Council believes:

1. That Tower Hamlets is on the frontline in the battle to tackle the capital's housing crisis and unlike many Tory boroughs in outer London, we are willing to do our bit to solve it.
2. We should welcome sustainable development but crucially must also work closely with our partners to encourage good quality, affordable homes and place-making which meets our community's needs.
3. We need genuinely affordable homes developed with the right infrastructure. The new Local Plan, which is out for consultation now, will help us to achieve this by focusing on making holistic places not just pursuing numbers.

This Council resolves:

1. To call on Mayor Biggs to write to the Minister for Housing and Planning:
  - a. urging a change in the law to enable the landlord licensing scheme to apply to the whole borough and not just three wards; and
  - b. urging the Government not to implement the provisions of the Housing and Planning Act which will remove the need for housing associations to seek consent from the Homes and Communities Agency for mergers, restructuring, change of status, dissolution, land disposal and change of ownership.
2. To support the Mayor and Cabinet in ongoing work to deliver more genuinely affordable homes and the vital infrastructure that must go alongside housing, in line with the Mayor's commitment to deliver 1,000 council homes.