



OVERVIEW & SCRUTINY COMMITTEE.

Thursday, 20 July 2017 at 6.30 p.m., Room C1, 1st Floor, Town Hall,
Mulberry Place, 5 Clove Crescent, London, E14 2BG

This meeting is open to the public to attend.

Members:

Chair: Councillor Denise Jones
Vice Chair: Councillor Clare Harrison

Councillor Danny Hassell
Councillor Muhammad Ansar Mustaqim
Councillor Oliur Rahman
Councillor Rabina Khan
Councillor Ayas Miah
Councillor Helal Uddin
Councillor Andrew Wood

Co-opted Members:

Shabbir Chowdhury	Parent Governors
Christine Trumper	Parent Governors
Dr Phillip Rice	Church of England Representative
Fatiha Kassouri	Parent Governors
Asad M Jaman	Muslim Faith Community

Contact for further enquiries:

David Knight, Democratic Services
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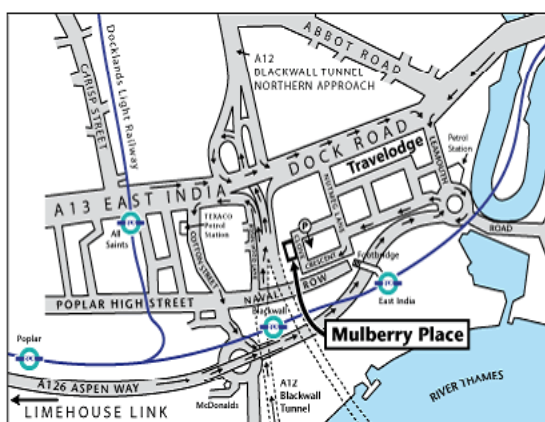
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SECTION ONE	WARD	PAGE NUMBER(S)
1. APOLOGIES FOR ABSENCE		
To receive any apologies for absence.		
2. DECLARATIONS OF DISCLOSABLE PECUNIARY INTEREST		1 - 4
To note any declarations of interest made by Members, including those restricting Members from voting on the questions detailed in Section 106 of the Local Government Finance Act, 1992. See attached note from the Interim Monitoring Officer.		
3. UNRESTRICTED MINUTES		
To confirm as a correct record of the proceedings the unrestricted minutes of the meeting of the Overview and Scrutiny Committee held on 9 th May, 2017 and 21 st June, 2017 – To follow.		
4. APPOINTMENT OF SCRUTINY LEAD MEMBERS	All Wards	5 - 16
5. UNRESTRICTED REPORTS 'CALLED IN'	All Wards	
No decisions of the Mayor in Cabinet 27 th June, 2017 in respect of unrestricted reports on the agenda were 'called in'.		
6. REQUESTS TO SUBMIT PETITIONS	All Wards	
To receive any petitions (to be notified at the meeting).		
7. REVIEW OF THE TOWER HAMLETS EMERGENCY PLANNING AND CIVIL CONTINGENCY ARRANGEMENTS - PRESENTATION	All Wards	
The Committee will receive a presentation on the review of the Tower Hamlets Emergency Planning and Civil Contingency Arrangements		

8. SCRUTINY SPOTLIGHT	WARD	PAGE NUMBER(S)
<p>8 .1 Councillor Sirajul Islam (Statutory Deputy Mayor and Cabinet Member for Housing) - Presentation</p> <p>The Committee will receive a presentation from Councillor Sirajul Islam</p>	All Wards	
<p>8 .2 Strategic Performance and Corporate Revenue and Capital Budget Outturn 2016/17</p> <p>The Committee are asked to note the provisional outturn report that sets out the position at the end of the financial year; this gives Members an opportunity to consider the final outturn position against the information provided during the course of the year and also to evaluate the Council's overall financial performance.</p>	All Wards	17 - 50
<p>8 .3 Community Cohesion Challenge Session</p>	All Wards	51 - 82
<p>9. VERBAL UPDATES FROM SCRUTINY LEADS</p> <p>(Time allocated – 5 minutes each)</p>	All Wards	
<p>10. PRE-DECISION SCRUTINY OF UNRESTRICTED CABINET PAPERS</p> <p>To consider and agree pre-decision scrutiny questions/comments to be presented to Cabinet.</p> <p>(Time allocated – 30 minutes).</p>	All Wards	
<p>11. ANY OTHER UNRESTRICTED BUSINESS WHICH THE CHAIR CONSIDERS TO BE URGENT</p> <p>To consider any other unrestricted business that the Chair considers to be urgent.</p>	All Wards	
<p>12. EXCLUSION OF THE PRESS AND PUBLIC</p> <p>In view of the contents of the remaining items on the agenda the Committee is recommended to adopt the following motion:</p> <p>“That, under the provisions of Section 100A of the Local Government Act 1972, as amended by the Local</p>		

Government (Access to Information) Act 1985, the press and public be excluded from the remainder of the meeting for the consideration of the Section Two business on the grounds that it contains information defined as Exempt in Part 1 of Schedule 12A to the Local Government Act, 1972.”

EXEMPT/CONFIDENTIAL SECTION (Pink Papers)

The exempt committee papers in the agenda will contain information, which is commercially, legally or personally sensitive and should not be divulged to third parties. If you do not wish to retain these papers after the meeting, please hand them to the Committee Officer present.

SECTION TWO

WARD

13. EXEMPT/ CONFIDENTIAL MINUTES

Nil items

14. EXEMPT/ CONFIDENTIAL REPORTS 'CALLED IN'

All Wards

No decisions of the Mayor in Cabinet 27th June, 2017 in respect of exempt/ confidential reports on the agenda were 'called in'.

15. PRE-DECISION SCRUTINY OF EXEMPT/ CONFIDENTIAL) CABINET PAPERS

All Wards

To consider and agree pre-decision scrutiny questions/comments to be presented to Cabinet.

(Time allocated 15 minutes).

16. ANY OTHER EXEMPT/ CONFIDENTIAL BUSINESS THAT THE CHAIR CONSIDERS URGENT

To consider any other exempt/ confidential business that the Chair considers to be urgent.

Next Meeting of the Overview and Scrutiny Committee

Thursday, 14 September 2017 at 6.30 p.m. to be held in Room C1, 1st Floor, Town Hall, Mulberry Place, 5 Clove Crescent, London, E14 2BG

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Agenda Item 2

DECLARATIONS OF INTERESTS - NOTE FROM THE INTERIM MONITORING OFFICER

This note is for guidance only. For further details please consult the Members' Code of Conduct at Part 5.1 of the Council's Constitution.

Please note that the question of whether a Member has an interest in any matter, and whether or not that interest is a Disclosable Pecuniary Interest, is for that Member to decide. Advice is available from officers as listed below but they cannot make the decision for the Member. If in doubt as to the nature of an interest it is advisable to seek advice **prior** to attending a meeting.

Interests and Disclosable Pecuniary Interests (DPIs)

You have an interest in any business of the authority where that business relates to or is likely to affect any of the persons, bodies or matters listed in section 4.1 (a) of the Code of Conduct; and might reasonably be regarded as affecting the well-being or financial position of yourself, a member of your family or a person with whom you have a close association, to a greater extent than the majority of other council tax payers, ratepayers or inhabitants of the ward affected.

You must notify the Interim Monitoring Officer in writing of any such interest, for inclusion in the Register of Members' Interests which is available for public inspection and on the Council's Website.

Once you have recorded an interest in the Register, you are not then required to declare that interest at each meeting where the business is discussed, unless the interest is a Disclosable Pecuniary Interest (DPI).

A DPI is defined in Regulations as a pecuniary interest of any of the descriptions listed at **Appendix A** overleaf. Please note that a Member's DPIs 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.

Effect of a Disclosable Pecuniary Interest on participation at meetings

Where you have a DPI in any business of the Council you must, unless you have obtained a dispensation from the authority's Interim Monitoring Officer following consideration by the Dispositions Sub-Committee of the Standards Advisory Committee:-

- not seek to improperly influence a decision about that business; and
- not exercise executive functions in relation to that business.

If you are present at a meeting where that business is discussed, you must:-

- Disclose to the meeting the existence and nature of the interest at the start of the meeting or when the interest becomes apparent, if later; and
- Leave the room (including any public viewing area) for the duration of consideration and decision on the item and not seek to influence the debate or decision

When declaring a DPI, Members should specify the nature of the interest and the agenda item to which the interest relates. This procedure is designed to assist the public's understanding of the meeting and to enable a full record to be made in the minutes of the meeting.

Where you have a DPI in any business of the authority which is not included in the Member's register of interests and you attend a meeting of the authority at which the business is considered, in addition to disclosing the interest to that meeting, you must also within 28 days notify the Interim Monitoring Officer of the interest for inclusion in the Register.

Further advice

For further advice please contact:-

Graham White, Acting Corporate Director Law Probity and Governance Tel 020 7364 4800

APPENDIX A: Definition of a Disclosable Pecuniary Interest

(Relevant Authorities (Disclosable Pecuniary Interests) Regulations 2012, Reg 2 and Schedule)

Subject	Prescribed description
Employment, office, trade, profession or vacation	Any employment, office, trade, profession or vocation carried on for profit or gain.
Sponsorship	<p>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 the Member in carrying out duties as a member, or towards the election expenses of the Member.</p> <p>This includes any payment or financial benefit from a trade union within the meaning of the Trade Union and Labour Relations (Consolidation) Act 1992.</p>
Contracts	<p>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—</p> <p>(a) under which goods or services are to be provided or works are to be executed; and</p> <p>(b) which has not been fully discharged.</p>
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	<p>Any tenancy where (to the Member's knowledge)—</p> <p>(a) the landlord is the relevant authority; and</p> <p>(b) the tenant is a body in which the relevant person has a beneficial interest.</p>
Securities	<p>Any beneficial interest in securities of a body where—</p> <p>(a) that body (to the Member's knowledge) has a place of business or land in the area of the relevant authority; and</p> <p>(b) either—</p> <p>(i) the total nominal value of the securities exceeds £25,000 or one hundredth of the total issued share capital of that body; or</p> <p>(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.</p>

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<p>Non-Executive Report of the:</p> <p>Overview and Scrutiny Committee</p> <p>20th July, 2017</p>	 <p>TOWER HAMLETS</p>
<p>Report of: Matthew Mannion, Committee Services Manager</p>	<p>Classification: Unrestricted</p>
<p>Appointment of Scrutiny Lead Members</p>	

Originating Officer(s)	David Knight, Senior Committee Services Officer
Wards affected	All Wards

Summary

This report requests the Overview and Scrutiny Committee (OSC):

- To **agree** the Scrutiny Lead Members based on the Council's Directorate structural arrangements; and
- To **note** the Terms of Reference for the Sub-Committees in the following areas:
 - Grants Scrutiny;
 - Housing Scrutiny; and
 - Health Scrutiny.

Recommendations:

The Overview and Scrutiny Committee is recommended to:

1. Determine whether it wishes to continue to operate Scrutiny Leads with specific portfolios and if so to appoint Members to the posts as set out in Section 3 of this report.
2. To:
 - A. **Note** the terms of reference for the Health Scrutiny Sub-Committee Appendix 1;
 - B. **Note** the terms of reference for the Housing Scrutiny Sub-Committee Appendix 2
 - C. **Note** the terms of reference for the Grants Scrutiny Sub-Committee Appendix 3; and
 - D. **Note** that the Scrutiny Leads once appointed will take the Chairs of the above mentioned Sub-Committees.

1. **BACK GROUND**

- 1.1 The Overview and Scrutiny Committee annually appoints Lead Scrutiny Members for different policy areas and establishes it's Sub-Committees for

the year. Certain Lead Members are also appointed as Chairs to various Sub-Committees.

- 1.2 This process took place at the Overview and Scrutiny Committee (OSC) meeting on Wednesday 21 June 2017).
- 1.3 However, since that meeting the Chair of Overview and Scrutiny, Councillor Denise Jones, has raised with the Monitoring Officer her concerns over the appointments to Lead Members. She has stated that, for a number of reasons, there was significant confusion during that item of business and that the decisions taken was therefore not sound. The Monitoring Officer has agreed to void those decisions and to instruct the Overview and Scrutiny Committee to reconsider those decisions at its 20th of July 2017 meeting. Although the decisions made at the last meeting to establish and appoint Members to the Sub-Committees are still valid.
- 1.4 The Committee therefore have before them a new report to allow for the opportunity to retake the decisions.

2. ALTERNATIVE OPTIONS

- 2.1 The Committee could determine different arrangements for carrying out the Scrutiny of the Council's executive decision making functions providing that all statutory requirements were met.

3. DETAILS OF REPORT

- 3.1 The OSC is asked to approve its arrangements for Lead Scrutiny Members and Sub-Committees.

Scrutiny Lead Members and Portfolios

- 3.2 The OSC has traditionally appointed Scrutiny Lead Members with portfolios aligned to the authority's directorates. In the 2016/17 Municipal Year at its meeting on 18 May 2016, Council approved Special Responsibility Allowances for 5 Scrutiny Lead positions. It is therefore suggested that this should continue for the 2017/18 Municipal Year, the OSC consider the appointment of Lead Scrutiny Members for those agreed portfolios as set out below:
 - I. Lead for Health, Adults & Community (Chair of Health Scrutiny);
 - II. Lead for Governance;
 - III. Lead for Children's Services;
 - IV. Lead for Place (Chair of Housing Scrutiny); and
 - V. Lead for Resources (Chair of Grants Scrutiny).

4. COMMENTS OF THE CHIEF FINANCE OFFICER

- 4.1 This report recommends the Overview and Scrutiny Committee appoint Lead Scrutiny Members to positions that carry Special Responsibility Allowances at a level agreed by the Council. This is within agreed budgets.

5. LEGAL COMMENTS

- 5.1 Most of the relevant statutory and constitutional provisions are set out in the body of the report. It is noted that independent members are co-opted to the Health Scrutiny Sub-Committee. Section 9FA (4) of the Local Government Act 2000 confirms that a sub-committee of an overview and scrutiny committee may include persons who are not members of the authority. This is consistent with section 102(3) of the Local Government Act 1972 which makes similar provision in relation to committees and sub-committees.

6. ONE TOWER HAMLETS CONSIDERATIONS

- 6.1 The establishment of proper scrutiny arrangements helps ensure effective decision making by the authority which supports the Council's One Tower Hamlets aspirations.

7. BEST VALUE (BV) IMPLICATIONS

- 7.1 The establishment of proper scrutiny arrangements helps ensure best value is achieved from the Council's decision making.

8. SUSTAINABLE ACTION FOR A GREENER ENVIRONMENT

- 8.1 None specific to this report.

9. RISK MANAGEMENT IMPLICATIONS

- 9.1 The appointment of Scrutiny Lead Members are necessary for the Overview and Scrutiny Committee to meet its statutory and constitutional obligations and in particular the functions conferred on the Council by the provisions referred to in the body of the report.

10. CRIME AND DISORDER REDUCTION IMPLICATIONS

- 10.1 None specific to this report.

Linked Reports, Appendices and Background Documents

Linked Report

- None

Appendix

- Terms of reference for the Health Scrutiny Sub-Committee **Appendix 1**;
- Terms of reference for the Housing Scrutiny Sub-Committee **Appendix 2**; and
- Terms of reference for the Grants Scrutiny Sub-Committee **Appendix 3**.

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:

- David Knight 02073644878 david.knight@towerhamlets.gov.uk

HEALTH SCRUTINY SUB-COMMITTEE

1. Establishment

- 1.1 The Council's Constitution states that the Annual Council Meeting will establish "such other Committees/Sub-Committees as it considers appropriate to deal with matters which are neither Executive Functions nor reserved to the Council".
- 1.2 The Constitution refers to the establishment of "a standing Sub-Committee to discharge the Council's functions under the Health and Social Care Act 2001 to be known as the Health Scrutiny Sub-Committee". The reference to the Health and Social Care Act 2001 is out of date and this should be taken as a reference to the National Health Service Act 2006 and the Local Authority (Public Health, Health and Wellbeing Boards and Health Scrutiny) Regulations 2013.
- 1.3 At the Annual General Meeting of the Council, held on 17th May 2017 the nominations were received the Municipal Year 2017/18 with a membership numbering 6, and an allocation of places in accordance with overall proportionality requirements as follows: 3 Majority Group Members (Labour), 3 Minority Group Members - 1 Independent Group, 1 People's Alliance of Tower Hamlets and 1 Conservative member.

2. Terms of Reference and Quorum

- 2.1 The Health Scrutiny Sub-Committee will undertake the Council's functions under the National Health Service Act 2006 and associated Regulations and consider matters relating to the local health service as provided by the NHS and other bodies including the Council:
 - (a) To review and scrutinise matters relating to the health service within the Council's area and make reports and recommendations in accordance with any regulations made thereunder;
 - (b) To respond to consultation exercises undertaken by an NHS body; and
 - (c) To question appropriate officers of local NHS bodies in relation to the policies adopted and the provision of the services.
- 2.2 The quorum will be 3 voting members.
- 2.3 The Health Scrutiny Sub-Committee will meet at least four times a year.

3. Reports

- 3.1 The Sub-Committee will report to full Council, Cabinet or the appropriate Cabinet member and make recommendations, as appropriate. All reports and/or recommendations of Scrutiny Sub-Committees shall first be considered by the Overview and Scrutiny Committee before being reported to full Council, Cabinet or the appropriate Cabinet member, as appropriate.

4. Proceedings of Scrutiny Sub-Committees

- 4.1 The Overview and Scrutiny Committee and its Scrutiny Sub-Committees will generally meet in public and conduct their proceedings in accordance with the Procedure Rules in Part 4 of the Constitution.

Housing Scrutiny Sub-Committee Terms of Reference

Chair and Membership

Sub-Committees will be chaired by a Member of the Overview and Scrutiny Committee. For this Sub-Committee it will be the Lead Scrutiny Member for Development and Renewal for 2017/18. The membership of the Housing Scrutiny Sub-Committee will be selected at the Annual General Meeting.

Frequency of meetings

It is proposed the Sub-Committee meets four times per year formally and the following are suggested dates that are available in the Corporate Diary for 2017/18.

12th July
11th September
13th November
29th January
19th March

The Sub-Committee may arrange other meetings as and when necessary to consider any urgent issues as well as arranging meetings for detailed scrutiny reviews and challenge sessions.

Responsibilities

The Housing Scrutiny Sub-Committee will discharge the Council's statutory functions to undertake overview and scrutiny, insofar as these pertain to housing matters. This will include:

- (a) Reviewing and/or scrutinise decisions made or actions taken in connection with the discharge of the Council's housing functions;
- (b) Advising the Mayor, DCLG Commissioners or Cabinet of key issues/questions arising in relation to housing reports due to be considered by the Mayor, DCLG Commissioners or Cabinet;
- (c) Making reports and/or recommendations to the full Council and/or the Mayor, DCLG Commissioners or Cabinet in connection with the discharge of housing functions;
- (d) Delivering (c) by organising an annual work programme, drawing on the knowledge and priorities of the council, registered providers and other stakeholders, that will identify relevant topics or issues that can be properly scrutinised;
- (e) Holding service providers to account, where recent performance fails to meet the recognised standard, by looking at relevant evidence and make recommendations for service improvements;

- (f) Considering housing matters affecting the area or its inhabitants, including where these matters have been brought to the attention of the sub-committee by tenant and resident associations, or members of the general public.
- (g) The Sub-Committee will report annually to the Overview and Scrutiny Committee on its work.

Support to the Sub-Committee

The Service Heads for Corporate Strategy and Equality (LPG) and Strategy, Regeneration and Sustainability (D&R) will be the senior officer leads and champion the work of the Sub-Committee.

The servicing of meetings will be undertaken by the Council's Democratic Services Team which will include:

- Meeting room bookings, refreshments
- Agenda preparation and dispatch
- Taking minutes and recording of actions/decisions
- Dissemination of minutes and decisions

The Corporate Strategy & Equality Service will provide policy support to the Sub-Committee which will include:

- Research and analysis
- Work programme development
- Support with undertaking reviews and challenge sessions
- Drafting review reports and challenge sessions

Proceedings

The Housing Scrutiny Sub-Committee will generally meet in public and conduct its proceedings in accordance with the rules and procedure contained in the Council's Constitution such as the:

- Council Procedure Rules
- Access to Information Procedure Rules, and
- The Overview and Scrutiny Procedure Rules

Terms of Reference**1. Introduction and Aims**

- 1.1 Member input is vital at the development and delivery stage of the grants process by ensuring that the overall objectives of the grant scheme are being met based on identified need, that a fair geographical distribution of funding is being proposed, and that the full range of community needs are being met.
- 1.2 The Grants Sub-Committee will support an objective, fair, transparent and co-ordinated approach to grant funding across the Council including but not restricted to the following.
- (a) overseeing the process and arrangements for awarding and administering grants and related procurement processes to ensure a strategic approach;
 - (b) overseeing the processing arrangements for developing grants criteria and assessment methodology
 - (c) overseeing the monitoring, performance management and evaluation arrangements in relation to funded projects; and
 - (d) ensuring fairness and transparency in the grant awarding process.
- 1.3 The Grants Sub-Committee will be mindful of the Council's objective to create an environment for a thriving Third Sector. In this context, the following are key factors:
- (a) improve partnership working between local organisations;
 - (b) provide longer-term funding to organisations;
 - (c) ensure that funding is aligned to the Strategic Plan and Community Plan;
 - (d) ensure that the Council achieves value for money from its grants; and
 - (e) ensure that funding supports appropriate services for the benefit of local residents.

2. Responsibilities

- 2.1 The Overview & Scrutiny Grants Sub-Committee will discharge the Council's statutory functions to undertake overview and scrutiny, insofar as these pertain to grants matters. This will include:
- (a) Reviewing and/or scrutinise recommendations, decisions made or actions taken in connection with the discharge of the council's grants;
 - (b) Advising the Mayor, DCLG Commissioners or Executive of key issues/questions arising in relation to grants reports due to be considered by the Mayor, DCLG Commissioners or Executive; and
 - (c) Making reports and/or recommendations to the full Council and/or the Mayor, DCLG Commissioners or Executive in connection with the discharge of grants functions
- 2.2 The Grants Sub-Committee will have a broad range of responsibilities. This will include scrutinising adherence to grant eligibility, appraisal, and monitoring arrangements.

- 2.3 Other areas of responsibility for the Grants Sub Committee include but are not restricted to the following:
- (a) monitoring and reviewing all grant programmes across the Council;
 - (b) maintaining an overview of performance and value for money for all London Borough of Tower Hamlets grant funding;
 - (c) support an appropriate, fair and transparent commissioning and appraisal process is followed when allocating any grant funding;
 - (d) ensure that the Service agreements used in relation to the various Council grant regimes are fit for purpose and that appropriate monitoring and assurance systems are implemented and in place; and
 - (e) receive grant programme performance, monitoring reports and agreeing appropriate action to be taken in respect of projects which are under-performing.

3. Membership

- 3.1 The membership of the Grants Sub-Committee will consist of the Lead Member for Resources (or his nominated Deputy) as Chair of the Grants Sub-Committee, with the composition consisting of three Members of the Overview and Scrutiny Committee from the administration and one each from the opposition parties.

4. Actions and Responsibilities

- 4.1 Below are some of the specific actions and responsibilities required to ensure the effective operation of the Grants Sub-Committee.
- 4.2 **Servicing of meetings.** The servicing of meetings will be undertaken by the Council's Democratic Services Team and which work will include:
- (a) dispatch of reports;
 - (b) taking of minutes and recording of actions/decisions;
 - (c) dissemination of minutes and decisions; and
 - (d) audio recording of meetings.
- 4.3 **Meeting frequency.** The Grants Sub-Committee will meet as required in order to consider grant awards in a timely manner.
- 4.4 Officers preparing reports for consideration must liaise with Democratic Services in good time to ensure that meetings are able to be convened as required to consider reports.
- 4.5 **Preparation and presentation of Reports.** The Lead Manager/Officer of the appropriate grant/funding programme will be responsible for preparing and presenting reports to the Grants Sub-Committee. This will include:
- (a) preparing reports and recommendations;
 - (b) obtaining legal and financial clearance of reports;
 - (c) sending completed reports to Democratic Services for dispatch;
 - (d) presenting reports ; and

(e) implementing actions/decisions agreed.

- 4.6 **Record of attendance.** All members of the Sub-Committee present during the whole or part of a meeting must sign their names on the attendance sheet before the conclusion of every meeting to assist with the record of attendance.

5. Proceedings

- 5.1 The Grants Sub-Committee will generally meet in public and conduct its proceedings in accordance with the relevant rules of procedure contained in the Council's Constitution such as the:

- (a) Council Procedure Rules;
- (b) Access to Information Procedure Rules, and
- (c) The Overview and Scrutiny Procedure Rules.

- 5.2 For the purposes of the Grants Sub-Committee, Rule 19 of the Council Procedure Rules (Petitions) applies.

6. Declaration of Interests

- 6.1 In accordance with the Council's Code of Conduct for Members, Members are reminded that it is a requirement to declare disclosable pecuniary interests and any other interest that they may have within the published register of interests.

7. Decision making


- 7.1 Currently the Council is subject to Direction from the Secretary of State and Commissioners are responsible for decision making on Grants.

8. Public Engagement

- 8.1 The Sub-Committee will engage local people in the delivery of its work programme and strategic issues on grants within the Council whilst directing representations on individual issues to the Commissioners and the Executive.

Updated: September 2016


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<p style="text-align: center;">Overview and Scrutiny Committee 20th July, 2017</p>	 TOWER HAMLETS
<p>Report of: Matthew Mannion, Committee Services Manager</p>	<p>Classification: Unrestricted</p>
<p style="text-align: center;">Provisional Revenue and Capital Outturn Report 2016-17 – Cover Sheet</p>	

Originating Officer(s)	David Knight, Principal Committee Services Officer
Wards affected	All wards

The Committee are asked to note and comment on the contents of the attached report that was considered by Cabinet on 27th June, 2017.

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Cabinet 27 June 2017	 TOWER HAMLETS
Report of: Corporate Director, Resources	Classification: Unrestricted
Provisional Revenue and Capital Outturn Report 2016-17	

Lead Member	Cabinet Member for Resources - Councillor Edgar
Originating Officer(s)	Kevin Miles – Chief Accountant
Wards affected	(All Wards);
Key Decision?	No
Community Plan Theme	A transformed council, making best use of resources and with an outward looking culture

Executive Summary

This report details the provisional outturn position of the Council for the financial year 2016-17. Unlike previous budget management reports it is based on the actual position for the year rather than estimates and projections and forms the basis of the final accounts for the 2016-17 financial year. The information is presented to reflect the Council's new structure which was implemented in January 2017. The provisional position set out in this report is subject to change arising from the production of the statutory statement of accounts and their subsequent audit review. This report includes details of:-

- General Fund Revenue Account.
- Housing Revenue Account (HRA).
- General Fund and HRA Capital expenditure and financing.
- Summary of reserve movements.
- 2016-17 final savings position.
- The Council's Balance Sheet at 31st March 2017.

In February 2016 the Council approved a Medium Term Financial Strategy (MTFS) for the period 2016 – 2020 including its 2016-17 General Fund budget. The budgeted net position set out there indicated that there was an estimated funding gap of approximately £58m over the time of the MTFS.

The 2016-17 General Fund budget included approved savings of £19.5m in order to deliver a balanced budget. The provisional outturn position shows that £13.9m of savings were made with £4.6m slipping into future years. During the year The

Mayor in Cabinet approved the reversal of £966k of previously approved savings relating to Children's Services as the original proposals were now considered unachievable. A further £972k relating to saving proposals other than in Children's Services has now also been identified as not achievable.

Overall the Council's provisional outturn position is underspent by £733k which is in line with the £0.7m reported to Cabinet in March.

The closing balance on the General Fund (Reserve) is £31.7m, which is broadly in line with the projections made in the MTFs reported in Feb 2017.

The provisional outturn for the Housing Revenue Account (HRA) is a surplus of £9.1m which is an adverse movement of £2.1m above the position reported to Cabinet in March for period 9. This difference reflects the decision to purchase a property in March which was partly funded through the use of revenue resources and where the decision was taken after the previous outturn projection had been completed.

Within the overall Capital Programme (i.e. General Fund and HRA) 82% of the revised capital budget for 2016-17 was achieved (£79.9m against budgets of £97.3m). The original Capital Programme approved for 2016-17 which included a number of indicative schemes totalled £228m. All capital expenditure in 2016-17 was fully funded from available resources including additional borrowing of c£2m.

This report also includes a number of key indicators taken from the Council's balance sheet that give a 'snapshot' of the overall financial health and efficiency of the Council's business. This includes information relating to the Council's earmarked reserves and its Collection Fund.

Section 3 onwards provides the further detail supporting the Council's overall financial performance in 2016-17.

Recommendations:

The Mayor in Cabinet is asked to:

1. Note the Council's provisional revenue outturn position as at 31 March 2017 as detailed in Sections 3 to 5.
2. Note the Council's provisional capital outturn position as at 31 March 2017 as detailed in Section 6.
3. Note the position in achieving approved savings in 2016-17.
4. Note the key Balance Sheet indicators.
5. Note that the position set out in this report is subject to the preparation of the Council's statutory financial accounts and external audit processes.

1. REASONS FOR THE DECISIONS

- 1.1. The provisional outturn report sets out the position at the end of the financial year; this gives Members an opportunity to consider the final outturn position against the information provided during the course of the year and also to evaluate the Council's overall financial performance.
- 1.2. Set alongside other performance outcome measures it gives the opportunity to establish whether the objectives set by Members have been achieved within the financial resources allocated.

2. ALTERNATIVE OPTIONS

- 2.1. The production of the Council's Statement of Account is a statutory requirement and, whilst there may be changes to the position reported here as a result of finalising the accounts and undertaking the external audit, there is no scope other than to report the position reflected on the Council's financial system.
- 2.2. Any remedial action will need to be considered as part of the 2017-18 position including specifically where savings proposals have not been delivered and have slipped into 2017-18. In previous years' the level of amendment made following audit has been minimal.

3. INTRODUCTION

Provisional General Fund Revenue Position 2016-17

- 3.1. The Council's 2016-17 revenue budget was agreed in February 2016, this assumed a net service cost of £361.9m against which the Council expected to receive £338.6m via Central Government funding, Council Tax, retained Business rates and core grants.
- 3.2. The resulting funding gap of £23.3m was to be funded from General Fund Balances and was in large part intended to support expenditure or provision for expenditure on the new Civic Centre (£20m).
- 3.3. Table 1 below summarises the provisional revenue outturn position for the General Fund. The table shows the position before transfers to or from reserves and the position after those transfers have been made.
- 3.4. Where directorates have utilised reserves, further detail has been included in the relevant paragraph of section 4 below. A full review of the reserves position was undertaken in 2016-17 and the Corporate Director, Resources identified a number of corporately held reserves that were intended to facilitate the achievement of the savings programmes and change. These have been consolidated into a single transformation reserve to support the strategic priorities of the Council. A separate ICT Reserve has also been created; both of these actions were identified in the Council's February 2017 budget setting report.

4. Details of the Report

4.1. Governance

	£000s
	2016-17
Revised Budget	10,490
Actual Expenditure	10,625
Variance	135
Funded From Reserves	(61)
Outturn Position	74
Total Savings Target	339
Savings Achieved	180
Savings Deferred	0
Savings not achieved	159

Position before reserve movements

£135k overspend

4.1.1. The Governance Directorate outturn position includes £155k of reallocated service spend from the former CLC directorate.

4.1.2. The final outturn position for the directorate is a net overspend of £135k which will be funded from reserves and contingencies.

4.1.3. The two areas requiring reserve adjustments totalling £61k are:-

- Communications, £23k – To fund the one off costs associated with the new Performance Management System.
- Registration of Births, Deaths and Marriages £38k – To fund one off repairs and maintenance costs to Bromley Public Hall and costs associated with the implementation of a new electronic diary system.

Position after reserve movements

£74k overspend

4.1.4. These reserve adjustments will leave an overspend of £74k which relates to the additional costs associated with agency staff cover in Legal services to cover workload and vacant posts pending review of the service and recruitment as well as to assist with the interim arrangements surrounding the Corporate Director Post within the Governance directorate.

4.1.5. In addition savings relating to 2015/16 which have not been achieved are contributing to the overspend; these savings are associated with the new business model for the Registrars Service and in particular the difficulties in

generating sufficient income to fully cover costs. The Directorate will need to consider whether the service is in a position to generate the additional income required and, if that is not possible, propose an alternative savings option for approval by Members.

4.2. Place

	£000s
	2016-17
Revised Budget	69,136
Actual Expenditure	70,657
Variance	1,521
Funded From Reserves	(1,894)
Outturn Position	(373)
Total Savings Target	3,693
Savings Achieved	2,543
Savings Deferred	950
Savings not achieved	200

Position before reserve movements

£1,521k Overspend

- 4.2.1. Within the Directorate payments for legal compensation relating to land assembly for the Blackwall Reach scheme (£850k) together with the costs associated with two projects - Women into work and Health Care (£672k) have been funded from reserves created to meet these costs.
- 4.2.2. Unbudgeted revenue costs associated with vacant council premises awaiting disposal, including security, and energy costs have also contributed to the overspend in this area. Consideration needs to be given to the likelihood of on-going costs in this area if the proposed property disposals continue to be delayed.
- 4.2.3. The Directorate operates a number of trading accounts where the balance of costs are transferred at the end of the year to a Trading Account Reserve. The Building Control required support of around £100k in 2016-17 and the Directorate will need to consider whether this support is on-going together with action to ensure that over time the trading accounts are balanced and therefore sustainable. In addition the use of the residual homelessness grant to support costs in that area needs to be reviewed to conclude whether these are on-going costs which are liable to require core budget provision in the future.
- 4.2.4. The street trading account operates in accordance with the London Local Authorities Act 1990 (as amended), which stipulates what charges can be made to the account. If income exceeds expenditure, the surplus is then available to make good any shortfall or be reinvested in the operation of street markets. Any deficit on the account should be recovered as soon as practicable.

4.2.5. Following a decision made by the authority to implement a Landlord Licensing scheme additional fee income of £1.1m was received. Cabinet took the decision in February 2016 to implement the scheme in October 2016 on the basis that this would be cost neutral to the authority for the period of the scheme.

Position after reserve movements

£373k Underspend

4.2.6. After the application of reserves there is an underspend of approximately £373k. The following reserves have been applied:-

Reserve	Description	£000
Building Control Trading A/c	This is a trading account and is specifically set up to cover variances arising during the year. This item will be reviewed to establish whether the service will be granted a budget with surpluses and deficits being taken to the general fund.	114
Street Trading Trading A/c	This is a trading account and is specifically set up to cover variances arising during the year.	101
Homelessness grant DCLG	These reserves hold the balance of a grant which has historically been used to support the homelessness service.	157
Working Start for Women	Earmarked historic grant transferred to reserves with the expressed purpose in supporting women getting back into work.	124
Access to Employment	Earmarked historic grant transferred to reserves with the expressed purpose in supporting unemployed residents back into work, in conjunction with the working Start for Women Grant above	548
Blackwall Reach Land Assembly	Reserve has been set up to meet the legal compensation relating to the Blackwall Reach scheme.	850
		1,894

4.3. Children's Services

	£000s
	2016-17
Revised Budget	99,525
Actual Expenditure	107,786
Variance	8,261
Funded From Reserves	(1,047)
Outturn Position - Overspend	7,214
Total Savings Target (after reversal of agreed savings)	7,757
Savings Achieved	6,781
Savings Deferred	976
Savings not achieved	0

Position before reserve movements

£8,261k overspend

- 4.3.1. The Directorate is currently reporting a gross £8,261k overspend position, though this is reduced to £7,214k once £1,047k of earmarked reserves and grant drawdowns are applied. There was a 2016-17 directorate savings target of £7,757k; those elements which relate to Social Care are considered to be partly at risk given on-going pressures in that area although currently these remain as proposals for delivery in 2017-18. The savings target also reflects the reversal of £966k of savings, approved by the Mayor in Cabinet as they were confirmed to be unachievable.
- 4.3.2. There has been a significant increase in the numbers of children and young people assessed as having special educational needs in the Borough. Changes in the demographic make-up of the Borough are also leading to impacts in both the size and nature of the demand. This additional demand is having a significant impact on budgets; with an overspend of £250k for 2016-17. The DfE is reviewing the way that school funding is assessed and these changes are likely to add further pressures to this budget for future years. The DfE has not impacted upon 2016-17.
- 4.3.3. An independent review has been commissioned of the SEN (Special Education Needs) service with the objective of providing a fully costed set of recommendations to identify the underlying demand and proposed solutions.
- 4.3.4. Within Children's Social Care (CSC) the 2016-17 overspend stands at £5,823k. The main causes of this overspend are the pressures around the Council's statutory obligation regarding Looked after Children (contributing £1,800k to the overspend alone). The number of cases, particularly those with complex needs, and the resultant need to maintain full staffing levels has led to the use of agency staff, who cost circa 20% more than permanent staff. The Directorate has taken action to

review its offer to staff as part of the 2017-18 budget growth proposals which is expected to have a positive impact on agency staffing levels and overall cost.

- 4.3.5. A service re-design group, led by the CSC Divisional Director, is undertaking a review of this area, looking at ways to maintain effective service provision alongside actions for bringing the current budget variances back into line. A growth bid has been approved as part of the MTFS to address historic budget pressures and the service re-design will be put in place during the course of the 2017-18 financial year. This service re-design proposal is expected deliver a balanced budget by the end of the current MTFS period.
- 4.3.6. The Contract Services trading account continues to experience the same pressures that were seen in previous years, with a 2016-17 overspend of £806k. A service review has been concluded and a number of options are being considered including price increases and amendments to menus. These proposals will be presented to the Schools Forum in June 2017. If agreed, new arrangements will be put in place from September 2017. Additionally, back office functions and the operating structure of Contract services has been reviewed to yield further efficiencies.
- 4.3.7. The Youth Service transferred to Children's Services in 2016-17. In July 2016 the service introduced interim delivery arrangements pending the development of a substantive service redesign later in 2016. Both the interim delivery arrangements and the service redesign are expected to contribute to the Council's overall savings programme. Arising from the interim delivery arrangements there was a small underspend (£425k) in 2016-17. The Mayor in Cabinet on 10th January 2017 approved the substantive redesign of the Youth Service, which is expected to cost less. As a result a further saving proposal was put forward for the Youth Service to take effect from the 2017/18 financial year. Any delays or substantive amendments to the agreed Youth Service redesign could result in budget pressures accruing to the service during 2017/18.

Services transferred to Children's Directorate

- 4.3.8. Children's Services took over budgets worth £8.0m from the former CLC directorate when the new structure was announced.
- 4.3.9. Renegotiation of the Leisure contract has been undertaken in order to deliver savings of £1.24m. The objective has always been to provide for a full year's saving including agreement with Greenwich Leisure (GLL) to reinstate the current year's provision following the completion of the negotiations. Agreement in principle was reached with GLL in January on the fee waiver – this will require the approval of the Mayor in Cabinet as part of the Council's procurement framework. Therefore, subject to this agreement the full saving will be made on an ongoing basis.
- 4.3.10. Following the decision to run the Mela festival in-house at a cost of £286k, funding of £87k was identified from sponsorship and commercial income, and £29k from the Arts and Events budget. This leaves a balance of £170k that has been met from reserves.

Position after reserve movements

£7,214k overspend

4.3.11. Children's services are proposing the use of a total of £1,163k of earmarked reserves as set out below.-

4.3.12. In addition the council has received a new grant for Sport and Physical Activities of £116k for which a new earmarked reserve will be set up for community engagement programmes with the Poplar Baths Scheme. The net transfer from earmarked reserves is therefore £1.047m

Reserve	Description	£000
Urban Adventure	Reserve is intended to replace a kitchen at the Outdoor centre after the existing one was deemed unsafe	50
Arts, Parks & Events	Reserve is to enhance safety equipment and inspection regime in Mile End Park	105
Gang Violence Prevention	Reserve applied to fund the 'childview' computer database and staff involved with gang violence prevention	50
SEN Reserve	Contribution towards special education needs cost pressures (explained in paragraph 4.3.2).	159
Support for higher education	Contribution of Mayor's Education Grant towards secondary school improvement service	300
Redundancy Reserve	Corporate funding of redundancy payments	499
		1,163

4.4. Health, Adults and Community Services

	£000s
	2016-17
Revised Budget	131,971
Actual Expenditure	138,908
Variance	6,937
Funded From Reserves	(2,224)
Outturn Position - Overspend	4,713
Total Savings Target	6,931
Savings Achieved	3,590
Savings Deferred	2,748
Savings not achieved	593

Position before reserve movements**£6,937k overspend**

- 4.4.1. The Directorate is currently reporting a £4,713k overspend position after the application of the remaining ring-fenced Public Health Reserve (£850k), Supporting People Reserve (£800k) and Care Act Reserve (£466k).
- 4.4.2. £3,590k of the directorate's saving target of £6,931k has been met, with the remainder slipping into 2017-18. This slippage is due, in part, to the late start on projects. In addition £0.593m was unachievable (detailed in 4.4.3). The total unrealised saving equates to £2.7m and this amount is reflected in the projected overspend. The 2.7m comprises:-

Joint Funding Packages with NHS	£1.000m
Reablement	£0.400m
Sharing Services with NHS Partners	£0.435m
Charging for Social Care Services	£0.540m
Review of Day-care	£0.241m
Restructure of Out of Hours Service	£0.124m
Total	£2.740m

- 4.4.3. A saving of £593k relating to historic savings within the Learning Disabilities Day Services is now considered to be not achievable and as a consequence the Directorate will either need to make an alternative proposal or seek Member's agreement to reinstate the original budget provision.
- 4.4.4. The Public Health Service has identified a net overspend of £1,851k (after use of the £850k ring-fenced reserve). Government grant reduction, historical staffing cost pressures, increased service demand within Sexual Health (Gum) services has contributed to this overspend. Action to mitigate pressures in free school meals was taken during the year. A recovery plan has been prepared which addresses these pressures in 2017/18.
- 4.4.5. The Adult Social Care Service is reporting an overspend of £5,794k, reduced to £4,528k by the use of £1,266k reserves and after the application of £4.837m investment for demographic growth, inflation and the ethical care charter. This overspend is mainly within the costs of care packages. The client area that has increased most is within Physical Disabilities, with other areas experiencing relatively small increases. The Directorate has implemented a person centred assessment approach which is helping to mitigate some of the budget pressures.
- 4.4.6. The Commissioning and Health budget, which is mainly staffing and block contracts, has reported an underspend of £1,304k. Grant funding of the Carers Centre, re-provision of Supporting People block contracts and the recent staffing restructure are the main contributors to this variance. The Directorate is planning a review of a number of services with the aim of implementing more efficient and effective delivery models.

Services transferred to Health, Adults and Community

- 4.4.7. When the new structure was implemented the Health Adults and Community (HAC) Service took over functions which were supported by a £3,360k budget.
- 4.4.8. A reduction in tier 4 DAAT (Drug & Alcohol Action Team) activity levels resulted in an underspend of £484k. Due to the reduction in tier 4 services, there is a savings target of £950k for substance misuse in 2017/18.

Position after reserve movements

£4,713k overspend

- 4.4.9. Health, Adults and Community are proposing the use of a total of £2,224k of earmarked reserves, including use of the following:-

Reserve		£000
Public Health	Ring-fenced Public Health Reserve	850
Supporting People Reserve	To support the implementation of the National Stroke Strategy by raising the quality of treatment of care for stroke survivors and their carers.	800
Care Act Integrated Transformation Fund	To fund phased implementation of the Care Act	466
Violence against women post	To fund the post of 'Violence against Women Co-ordinator'	38
Victim Support	to assist in the provision of the Victim support scheme	70
Total		2,224

4.5. Resources

	£000's 2016-17
Revised Budget	19,190
Actual to date	19,493
Variance	303
Funded From Reserves	(273)
Outturn Position - Overspend	30
Total Savings Target	772
Savings Achieved	694
Savings Deferred	78
Savings not achieved	0

Position before reserve movements

£303k overspend

- 4.5.1. For 2016-17 this Directorate has achieved a broadly balanced budget position. The budget has increased by £8.7m to reflect services now included that had previously been within the CLC directorate
- 4.5.2. There is an overspend of £200k as a consequence of Tower Hamlets Homes withdrawing from Service Level Agreements around helpdesk call handling. The pressure has been managed in 2016-17 through directorate underspends including through financial systems (c.£50k) and corporate finance budgets (c.£80k) as a consequence of vacancies in permanent roles, graduate trainee posts and general supplies and services spend. The overall resource levels will be considered as part of the work of the Smarter Customer Access Programme in order to ensure that the overspend does not continue in future.

Position after reserve movements

£30k Overspend

- 4.5.3. The following earmarked reserves have been utilised:-

Reserve		£000
Grants Fund	Used to support grant funding for voluntary sector organisations	57
ICT project	ICT system development projects	216
Total		273

4.6. Corporate Costs & Capital Financing

£12.4m underspend

- 4.6.1. These budgets provide for unforeseen events (contingencies) and Council wide budgets for growth and inflation approved at the time of the MTFS. The budgeted provisions for contingencies; growth and inflation were not fully utilised. The main elements of underspend were for unallocated growth - £1.7m; unallocated inflation - £3.3m; contingency sum - £2.7m, reduced capital financing costs - £3.3m together with an additional contribution from parking income.
- 4.6.2. Of the approved inflation of £5.5m for 2016-17; £4.6m was awarded. Also the Inflation budget for 2016-17 included a sum of £2.4m brought forward from the previous financial year. The total underspend of £5m for inflation and growth has been reflected in the Medium Term Financial Strategy (MTFS) and used to fund the expenditure requirement for future years’.
- 4.6.3. Capital financing costs for the year were less than budgeted due to the need for a lower Minimum Revenue Provision, which are resources set aside to repay borrowing and a reduced requirement for borrowing to fund capital investment projects both as a result of slippage against proposed capital expenditure in the current and previous years’.

Reserves

- 4.6.4. ICT spend of approximately £2.0m has been met from the ICT reserve, the Council's Insurance Reserve, has been applied to meet the cost of claims in 2016-17 (c£1.1m) and £2.8m of the Transformation Reserve has also been used to cover the following approved schemes:
- Bank transfer from the Co-operative Bank to NatWest
 - Financial systems improvement works
 - MTFs strategic partner costs (Grant Thornton led Consortium)
 - HR improvement programme
 - Programme and project management resources supporting delivery of the Council's savings programme

5. Housing Revenue Account (HRA)

£9.1m surplus

- 5.1. The 2016-17 HRA revenue outturn is a £9.1 m surplus. The overall HRA underspend is the result of a number of variances; the main one being that, as reported throughout the year, the 2016-17 HRA budget assumed that a levy of £8.4 m would be payable in relation to the sale of higher value void properties policy contained within the Housing and Planning Act 2016, however the government confirmed in November 2016 that no levy will payable until April 2018 at the earliest, therefore no expenditure was incurred in 2016-17.
- 5.2. In addition, the final expenditure on the energy budget was lower than budgeted; due to delays in invoicing by the energy companies and a lack of information provided in relation to energy bills, it was not possible to accurately forecast this area of expenditure during the year. Also, expenditure on repairs was lower due to a reduction in demand, reflecting the reduction in tenanted stock numbers following the increased number of Right to Buy sales that have taken place over the last few years.
- 5.3. However there were also some areas of overspend: there was lower capital fee income due to lower expenditure on the HRA mainstream capital programme. Also, the proposed level of Revenue Contribution to Capital (RCCO) was £2 m, whereas the final level of RCCO that was applied to finance the HRA Capital Programme was £5.3m; this increase was mainly due to the Council taking advantage of an opportunity to purchase the former GP's surgery at 99 St Paul's Way that took place in March 2017 and which was partially funded by a revenue contribution, as well as Right to Buy 'one for one' receipts.
- 5.4. The 2016-17 surplus of £9.1 m will increase HRA balances to £41.7m, which will be used to fund future capital expenditure on the Council's housing stock, and contribute to the 70% HRA funding that is necessary in order to spend the substantial amount of Right to Buy 'one for one' receipts that have been retained by the Council. Members are reminded that HRA funding is ring-fenced and is available only for social housing and cannot be applied for general fund purposes.

6. CAPITAL

- 6.1. The revised capital budget totalled £97.3m, an increase from the £92.7m reported to Cabinet in the third quarter monitoring report. The increase is due to new scheme approvals and the re-profiling of a scheme for new housing supply into 2016-17.
- 6.2. Details of all the changes to the capital budget are set out in Appendix 1.
- 6.3. Total capital expenditure to the end of 2016-17 was £79.9m against a revised budget of £97.3m, resulting in slippage of £17.4m or 18% as follows:

<i>Structure after 9/1/17</i>	Annual Budget as at 31-Mar-17	Expenditure 2016-17	Variance (Slippage)	Variance as % of budget
	£m	£m		
TOTALS BY DIRECTORATE:				
Health, Adults and Communities	3.687	2.107	-1.580	-43%
Children's Services	18.135	15.419	-2.716	-15%
Place	12.756	10.973	-1.783	-14%
Resources	0.225	0.122	-0.103	-46%
Housing Revenue Account (HRA)	58.977	51.269	-7.708	-13%
Corporate	3.488	0.000	-3.488	-100%
GRAND TOTAL	97.268	79.890	-17.378	-18%

- 6.4. Resources not used in the current year are proposed to be used in future years of the programme. The main reasons for the slippage are as follows:

- **HRA Buybacks of Previous Right to Buy Sales (£-6.4m)**

The Council purchased eight properties in 2016-17 with the intention of using HRA resources. However, these properties will now be used as temporary accommodation and so have therefore been acquired in the General Fund with most of the expenditure now showing under the 'Purchase of properties for use as temporary accommodation' budget line. Expenditure incurred under both approved budget headings is eligible expenditure for the purposes of spending Right to Buy one for one receipts.

- **Corporate Budget Provision for Infrastructure Delivery (£-3.5m)**

This relates to budget provision for allocations made under the Infrastructure Delivery Framework (IDF) Process. Amounts will be moved to Directorates as allocations are approved, and spend projections will be added accordingly.. Any amounts unspent in the current year will be rolled forward to 2017-18.

- **Purchase of Properties for Use as Temporary Accommodation (£+2.5m)**

The Council purchased eight properties in 2016-17. Most of these have been acquired in the General Fund for use as temporary accommodation; therefore the majority of the expenditure is now showing under this budget line rather than the

HRA Buybacks budget line. Expenditure incurred under both budget lines is eligible expenditure for the purposes of spending Right to Buy one for one receipts

- **New Housing Supply – Schemes On Site (£-2.4m)**

This budget relates to new-build schemes that are currently onsite (Watts Grove and the Extensions programme) or where work has finished and accounts are being finalised (Bradwell Street). The Watts Grove new-build scheme is forecast to complete during the first quarter of 2017-18, therefore the remaining Watts Grove budget will slip forward to 2017-18.

- **Housing Capital Programme (£+1.8m)**

This is an ongoing capital programme to maintain the condition of the Council's housing stock. The 2016-17 spend was slightly ahead of the budget profile, this will be adjusted in 2017-18.

- **Condition and Improvement - Schools (£-1.5m)**

Slippage occurred on a number of different projects within this programme area:

- Stephen Hawking School project slippage due to procurement process delay causing works to begin in March 2017, later than planned.
- Delay in Marner School sports pitch work due to planning approval being received later than planned, causing works to begin in March 2017.
- Harbinger School works near completion, awaiting Final Account to make payment.

- **Public Health (£-1.5m)**

Slippage on William Cotton Place and Various Site Improvements, works are ongoing in 2017-18. These projects are fully funded by section 106 resources.

6.5. The capital expenditure of £79.9m has been funded from the following sources of finance:

Source of Financing	£m
Government Grants and Contributions	25.049
Capital Receipts	7.913
External Borrowing	2.096
Developers' Contributions (section 106)	4.687
Revenue Contributions (including earmarked reserves)	25.628
Major Repairs Reserve	14.517
Total	79.890

6.6. Capital receipts received in 2016-17 from the sale of Housing and General Fund assets as at 31st March 2017 are as follows:

Capital Receipts*		
	£m	£m
Dwellings Sold under Right To Buy (RTB)		
Receipts from RTB sales (263 properties)	42.098	
less poolable amount paid to DCLG	-1.755	
		40.343
Sale of other Housing Revenue Account (HRA) assets		
Preserved Right to Buy receipts	4.255	
11-31 Toynbee St and 67-69 Commercial St	8.000	
32-34 Hessel Street	0.027	
31 Turner Street	1.800	
327-329 Morville Street	4.751	
		18.833
Sale of General Fund assets		
2 Jubilee St	4.050	
Limehouse Library deed of variation	0.033	
Cheviot House	14.040	
Sovereign Court Overage	1.838	
		19.961
Total		79.137

Retained Right to Buy receipts must be set aside to meet targets on housing provision as set out in regulations governing the pooling of housing capital receipts, so they must be ring-fenced for this purpose and are not available for general allocation.

7. Balance Sheet Items

The following extracts are items from the balance sheet, which give the Councils position as at the 31 March 2017. Comparatives for 2015/16 are also included.

7.1. Debtors

Debtors are individuals, organisations and companies that owe the Council for goods and services. Significant movements year on year are included below

£m	31 March 2016	31 March 2017	
Debtors			
- Council Tax Debtors	17.7	16.9	
- NNDR Debtors	14.6	20.7	
- Other Debtors	64.9	46.9	15/16 debtors figures included large debtors for NHS trusts relating to social services, these have not been repeated in 2016/17.
Total Debtors	97.2	80.5	

7.2. Creditors (liability)

Creditors are individuals, organisations and companies that the Council owes for goods and services at the end of the financial period.

£m	31 March 2016	31 March 2017	
Total Creditors	201.8	150.2	Lower creditor figure relates to a reduction in the Infrastructure Levy ;lower creditors for NNDR and Council tax . The previous year also included a number of late accruals for the NHS which have not been repeated in 2016/17.

7.3. Reserves

Reserves held by the Council are amounts set aside, which do not fall within the definition of a provision, to fund items of anticipated expenditure. These include general reserves or balances which every Council must maintain as a matter of prudence.

£m	31 March 2016	31 March 2017	
Usable Revenue Reserves			
- General Fund	72.1	31.7	Reduction attributable to movement to earmarked reserve including Transformation and new Civic Centre reserve.
- Housing Revenue Account	32.1	39.1	
- Schools	31.8	24.7	
- Earmarked Reserves	122.0	134.6	Net effect after formation of Transformation and Civic Centre Reserve and the effect of directorate movements.

- Capital Receipts unapplied	86.3	156.8	A number of properties have been sold including Cheviot House, 2 Jubilee St. and 11-31 Toynbee St.
- Capital Grants unapplied	56.2	82.0	Mainly attributable to the receipt of the Community Infrastructure Levy (£18m).
- Major Repairs Reserve (HRA)	9.2	9.5	
Total Reserves	409.7	478.4	

7.4. Business Rates

In 2016-17 £397m of Business Rates were collected by the Council, at present it retains 30%, with the balance being distributed to the GLA (20%) and Central Government (50%).

Business Rates	2015-16		2016/17	
	£m	%	£m	%
Collected	378.0	99.6	397.0	102.1

- Percentages include prior years collections, and therefore may exceed 100%

Business Rates collection achieved a budgeted collection rate of 102.05%. This remains a good performance, but due to additional funds having to be allocated to mitigate the risk of the large number of appeals received in the last quarter of 2016-17, and a small number of cases yet to be resolved regarding the application of relief and rates avoidance schemes, this money will not be immediately released into the collection fund.

7.5. Council Tax

In 2016-17 £101. m was collected in council tax. The Council retains 75% of this with the remainder being paid over to the GLA.

Council Tax	2015-16		2016/17	
	£m	%	£m	%
Collected	97.5	96.3	101.0	101.5

- Percentages include prior years collections, and therefore may exceed 100%

Council Tax collection achieved a budgeted collection rate of 101.46%. This remains a good performance, with a great deal of work being done to reduce single person discounts (SPD) levels throughout the year and ensuring all new properties are identified and added to the local list. SPD levels are now the lowest ever achieved.

8. APPROVED SAVINGS PROGRAMME

8.1. A total saving of £19.492m was agreed for delivery in 2016-17. £17.423m of this relates to new savings projects agreed as part of the 2016-17 budget setting process. The balance represents historic savings (£2.069m), mainly within Health, Adult and Community and Children's Services. The table below summarises the 2016-17 savings position by directorate.

Table 2 – Total 2016-17 savings

Directorate	Total Savings 2016-17 £'000	Savings 2016- 17 Delivered £'000	Slippage 2016- 17 £'000	Variance (Total Non Delivery) 2016-17 £'000
Health, Adults & Community	6,931	3,590	2,748	593
Children's Services	7,757	6,781	976	-
Place	3,693	2,543	950	200
Governance	339	180	-	159
Resources	772	694	78	-
Total	19,492	13,788	4,752	952

9. COMMENTS OF THE CHIEF FINANCE OFFICER

- 9.1. The outturn report summarises the Council's financial position at the end of the financial year and is subject to external audit verification. The underspend position is consistent with that reported to members throughout the year and in particular the position reported to Cabinet in March 2017. In addition the General Fund balance reflects the position set out in the Budget setting report to members in February 2017.
- 9.2. The financial implications of variances against revenue savings and capital projects will be addressed in 2017-18 and management actions set out in the first financial monitoring report for that year.

10. LEGAL COMMENTS

- 10.1. The report provides performance information, including by reference to key performance indicators and the budget. It is consistent with good administration for the Council to consider monitoring information in relation to plans and budgets that it has adopted.
- 10.2. Section 3 of the Local Government Act 1999 requires the Council as a best value authority 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". Monitoring of performance information is an important way in which that obligation can be fulfilled.

- 10.3. The Council is required by section 151 of the Local Government Act 1972 to make arrangements for the proper administration of its financial affairs. The Council's chief finance officer has established financial procedures to ensure the Council's proper financial administration. These include procedures for budgetary control. It is consistent with these arrangements for Members to receive information about the revenue and capital budgets as set out in the report.
- 10.4. When considering its performance and any procurement, 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 do not (the public sector equality duty). Relevant information is set out in the body of the report.

11. ONE TOWER HAMLETS CONSIDERATIONS

- 11.1. There are no 'One Tower Hamlets' Considerations contained within this report.

12. BEST VALUE (BV) IMPLICATIONS

- 12.1. Achieving Best Value is integral to the budget setting, monitoring and reporting process and members will want to consider, on the basis of the information in this report, the extent to which the outcomes they have set out have been delivered within the resources set aside in the budget for their delivery.

13. SUSTAINABLE ACTION FOR A GREENER ENVIRONMENT

- 13.1. There are no 'Sustainable Actions for a Greener Environment' considerations contained within this report.

14. RISK MANAGEMENT IMPLICATIONS

- 14.1. This is an information only report and Risk Management implications are considered as schemes and actions are proposed and improved rather than when the budget outturn is reported.

15. CRIME AND DISORDER REDUCTION IMPLICATIONS

- 15.1. There are no 'Crime and Disorder' considerations contained within this report.

16. SAFEGUARDING IMPLICATIONS

- 16.1. There are no 'Safeguarding Implications' considered within this report.

Linked Reports, Appendices and Background Documents

Linked Report

- NONE

Appendices

- NONE.

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

- NONE.

Officer contact details for documents:

Neville Murton

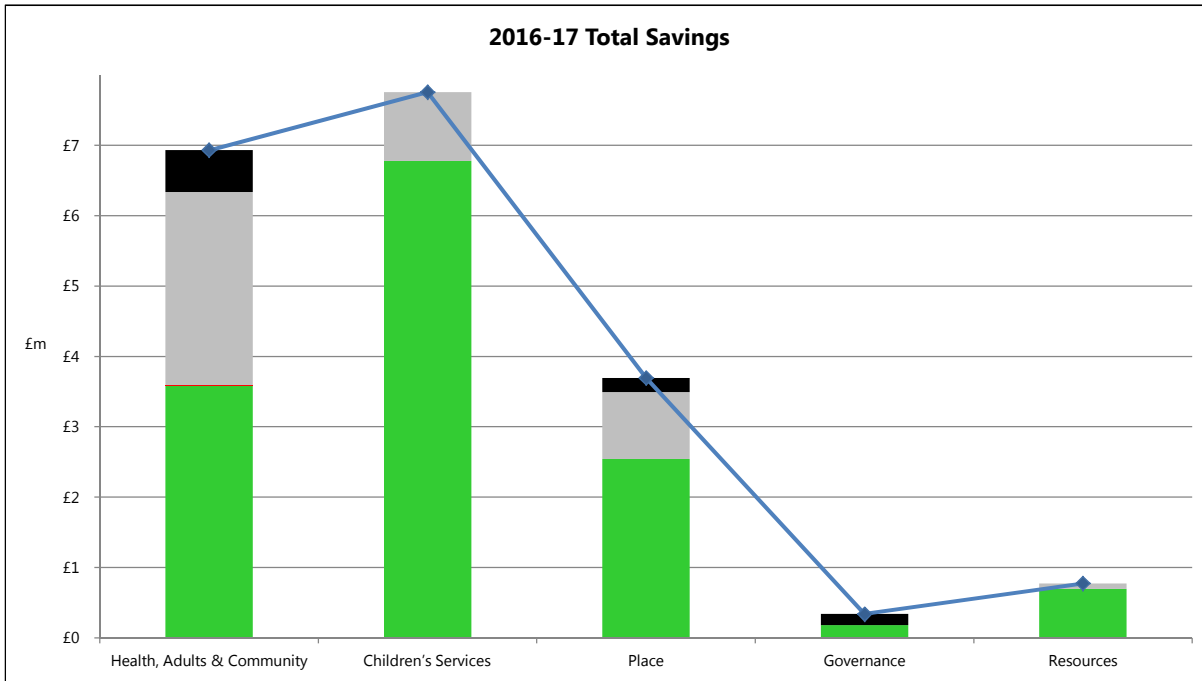
Directorate	Programme	Current Year				Explanations for Year-End Variance	Future Years		All Years (inc Future and Past)			
		Latest Budget 2016/17 (£m)	Spend to Q4 2016/17 (£m)	Spend to date as % of annual budget	Year-End Variance for 2016/17 (£m)		Year-End Variance for 2016/17 (%)	2017/18 Budget (£m)	2018/19 Budget (£m)	Total Future Years Budget (£m)	Spend in previous years (£m)	Total Budget - All Years (£m)
Children's Services	Conditions and Improvement	3.993	2.506	63%	-1.487	-37%	4.573	0.000	4.573	2.642	11.207	11.207
Children's Services	Bishop Challoner	0.025	0.010	40%	-0.015	-60%	0.575	0.000	0.575	0.000	0.600	0.600
Children's Services	Basic Need/Expansion	10.481	10.460	100%	-0.021	0%	15.186	6.895	22.081	34.422	66.983	66.983
Children's Services	Primary Capital Programme	0.090	0.063	70%	-0.027	-30%	0.000	0.000	0.000	0.206	0.296	0.296
Children's Services	Universal Free School Meals	0.127	0.151	119%	0.024	19%	0.000	0.000	0.000	0.198	0.325	0.325
Children's Services	Provision for 2 year olds	1.698	1.130	67%	-0.568	-33%	0.860	0.750	1.610	0.599	3.907	3.907
Children's Services	Culture	0.265	0.046	17%	-0.219	-83%	0.247	0.120	0.366	1.514	2.146	2.146
Children's Services	CCTV	0.077	0.009	12%	-0.067	-88%	0.068	0.000	0.068	0.165	0.310	0.310
Children's Services	Parks	1.379	1.043	76%	-0.335	-24%	3.929	0.794	4.722	1.751	7.852	7.852
Children's Services Total		18.135	15.419		-2.716		25.437	8.558	33.995	41.498	93.628	93.628
Corporate	CORP - Indicative Schemes - Other	0.000	0.000	0%	0.000	0%	1.500	0.000	1.500	0.000	1.500	1.500
Corporate	Infrastructure Delivery Budgetary Provision	3.488	0.000	0%	-3.488	-100%	9.425	15.000	24.425	0.000	27.913	27.913
Corporate Total		3.488	0.000		-3.488		10.925	15.000	25.925	0.000	29.413	29.413
HAC	Mental health services	0.004	0.004	100%	0.000	0%	0.000	0.000	0.000	0.112	0.116	0.116
HAC	Tele Care/Telehealth Equipment	0.097	0.000	0%	-0.097	-100%	0.000	0.000	0.000	0.275	0.372	0.372
HAC	Learning Disability Hubs	0.000	0.000	0%	0.000	0%	0.000	0.000	0.000	0.515	0.515	0.515
HAC	Public Health	3.426	1.948	57%	-1.478	-43%	3.730	8.730	12.460	0.000	15.886	15.886
HAC	Occupational Therapy Suite	0.065	0.064	99%	-0.001	-1%	0.000	0.000	0.000	0.075	0.140	0.140
HAC	Condition	0.095	0.091	95%	-0.004	-5%	0.000	0.000	0.000	0.000	0.095	0.095
Health, Adults and Communities Total		3.687	2.107		-1.580		3.730	8.730	12.460	0.977	17.124	17.124
HRA	Housing Capital Programme	23.157	24.983	108%	1.826	8%	26.285	0.000	26.285	140.983	190.424	190.424
HRA	Ocean Estate Regeneration	0.035	0.050	142%	0.015	42%	0.821	0.000	0.821	2.851	3.708	3.708
HRA	Blackwall Reach	3.600	2.851	79%	-0.748	-21%	2.000	1.152	3.152	1.956	8.708	8.708
HRA	Fuel Poverty Works	0.335	0.488	146%	0.153	46%	0.043	0.550	0.593	3.379	4.307	4.307
HRA	Short Life Properties	0.753	0.577	77%	-0.176	-23%	0.000	0.000	0.000	0.948	1.700	1.700
HRA	New Supply - Budget provision	-0.000	0.000	0%	0.000	-100%	0.000	22.142	22.142	0.000	22.142	22.142
HRA	Buybacks 1-4-1 Receipts	7.400	1.010	14%	-6.390	-86%	19.880	0.000	19.880	0.000	27.280	27.280

Directorate	Programme	Current Year					Future Years			All Years (inc Future and Past)		
		Latest Budget 2016/17 (£m)	Spend to Q4 2016/17 (£m)	Spend to date as % of annual budget	Year-End Variance for 2016/17 (£m)	Year-End Variance for 2016/17 (%)	2017/18 Budget (£m)	2018/19 Budget (£m)	Total Future Years Budget (£m)	Spend in previous years (£m)	Total Budget - All Years (£m)	Total Projection - All Years (£m)
HRA	New Supply - On site	17.347	14.912	86%	-2.436	-14%	1.803	0.000	1.803	14.128	33.278	33.278
HRA	New Supply - Pre construction	6.350	6.399	101%	0.049	1%				0.949	108.090	108.090
HRA	Community Benefit Society - 1-4-1 receipts	0.000	0.000	0%	0.000	0%				4.500	9.000	9.000
HRA Total		58.977	51.270		-7.707				184.467	165.194	408.638	408.638
Place	Contaminated Land Works	0.050	-0.000	-1%	-0.050	-101%			0.098	0.212	0.310	0.504
Place	ICT Solution - Handheld Devices	0.172	0.120	70%	-0.052	-30%			0.372	0.000	0.372	0.550
Place	TfL Schemes	3.607	3.150	87%	-0.457	-13%			4.124	2.905	7.029	16.438
Place	Public Realm Improvements	0.183	0.082	45%	-0.101	-55%			0.643	0.397	1.040	3.797
Place	Highways Improvement Programme	0.000	-0.030	0%	-0.030	0%			0.000	0.000	0.000	0.429
Place	Transport S106 Funded Schemes	1.028	0.498	48%	-0.530	-52%			0.978	0.540	1.518	4.122
Place	OPTEMS	0.010	0.039	401%	0.029	301%			0.089	0.030	0.118	0.720
Place	Regional Housing Pot Targeted Funding	0.050	0.000	0%	-0.050	-100%			0.300	0.321	0.621	0.676
Place	Private Sector Improvement Grants	0.150	0.101	67%	-0.050	-33%			0.450	0.450	0.900	1.327
Place	Disabled Facilities Grants	1.257	1.097	87%	-0.160	-13%			0.000	0.000	0.000	1.929
Place	Bishop's Square (D&R)	0.064	0.000	0%	-0.064	-100%			0.000	0.000	0.000	0.064
Place	Facilities Management - DDA works	0.052	0.000	0%	-0.052	-100%			0.000	0.000	0.000	0.052
Place	Section 106 Passported Funding	1.073	0.690	64%	-0.383	-36%			3.725	0.000	3.725	5.948
Place	Community Buildings Support Fund	0.000	0.000	0%	0.000	0%			1.124	0.000	1.124	1.650
Place	S106 Schemes	1.144	0.030	3%	-1.115	-97%			0.025	0.000	0.025	1.456
Place	Whitechapel Civic Centre	1.900	1.229	65%	-0.670	-35%			1.305	0.000	1.305	12.846
Place	GLA Whitechapel High Street Fund	0.227	0.227	100%	0.000	0%			0.000	0.000	0.000	0.227

Directorate	Programme	Current Year				Future Years		All Years (inc Future and Past)					
		Latest Budget 2016/17 (£m)	Spend to Q4 2016/17 (£m)	Spend to date as % of annual budget	Year-End Variance for 2016/17 (£m)	Year-End Variance for 2016/17 (%)	Explanations for Year-End Variance	2017/18 Budget (£m)	2018/19 Budget (£m)	Total Future Years Budget (£m)	Spend in previous years (£m)	Total Budget - All Years (£m)	Total Projection - All Years (£m)
Place	Conversion of council buildings to temporary accommodation	0.000	0.000	0%	0.000	0%		2.250	0.000	2.250	0.000	2.250	2.250
Place	Community Hubs/Buildings	0.000	0.015	0%	0.015	0%		0.350	0.000	0.350	0.000	0.350	0.350
Place	Purchase of properties for use as temporary accommodation	0.000	2.495	0%	2.495	0%	See the HRA 'Buybacks 1-4-1 Receipts' budget above. The Council purchased eight properties in 2016/17. Most of these have been acquired in the General Fund for use as temporary accommodation, therefore the majority of the expenditure is now showing under this budget line rather than the 'Buybacks 1-4-1 Receipts' budget line. Expenditure incurred under both budget lines is eligible expenditure for the purposes of spending Right to Buy one for one receipts.	15.000	15.000	30.000	0.000	30.000	30.000
Place	Registered Provider Grant Scheme (from 1-4-1)	1.500	0.935	62%	-0.565	-38%	This budget relates to a grant programme to Registered Providers (RPs) to spend Right to Buy one for one receipts on behalf of the Council. It was anticipated that £1.5 million would be granted to RPs by the end of the financial year but only one grant claim was received, with the resources carrying forward into 2017/18 when it is anticipated that the next claim will be received.	3.425	2.140	5.565	0.000	7.065	7.065
Place	BSF Main Build	0.290	0.297	102%	0.007	2%	The BSF programme is finished and final accounts are being concluded. Once this is resolved a proposal will be brought forward to utilise any remaining resources.	0.000	0.000	0.000	53.218	53.507	53.507
Place	BSF ICT Infrastructure	0.000	0.000	0%	0.000	0%		0.978	0.000	0.978	7.970	8.948	8.948
Resources	Culture (Libraries and Idea Stores)	0.225	0.122	54%	-0.104	-46%	Delays due to contract procurement and lack of sufficient project management resource.	35.235	21.995	57.230	84.870	154.856	154.856
Resources Total		0.225	0.122		-0.104			0.259	0.000	0.259	0.243	0.728	0.728
Grand Total		97.268	79.890		-17.378			168.016	146.320	314.336	292.782	704.386	704.386

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Savings Programme Dashboard 2016-17



Key	
No delivery plans or requires a decision	
2016-17 Slippage - Expected to be fully delivered in 2017-18	
2016-17 Savings delivered	

Total 2016-17 Savings (Approved 2016-17 Savings £17.423m & Historic Savings Carried Forward £2.069m)

Directorate	Total Savings 2016-17 £'000	Savings 2016-17 Delivered £'000	Slippage 2016-17 £'000	Variance (Total Non Delivery) 2016-17 £'000
Health, Adults & Community	6,931	3,590	2,748	593
Children's Services	7,757	6,781	976	-
Place	3,693	2,543	950	200
Governance	339	180	-	159
Resources	772	694	78	-
Total	19,492	13,788	4,752	952

Approved 2016-17 Savings

Directorate	Approved Savings 2016-17 £'000	Savings 2016-17 Delivered £'000	Slippage 2016-17 £'000	Variance (Total Non Delivery) 2016-17 £'000
Health, Adults & Community	6,003	3,379	2,624	-
Children's Services	7,341	6,781	560	-
Place	3,274	2,124	950	200
Governance	180	180	-	-
Resources	625	625	-	-
Total	17,423	13,089	4,134	200

Total Historic Savings Carried Forward to 2016-17

Directorate	Approved Savings Historic £'000	Savings 2016-17 Delivered £'000	Slippage 2016-17 £'000	Variance (Total Non Delivery) 2016-17 £'000
Health, Adults & Community	928	211	124	593
Children's Services	416	-	416	-
Place	419	419	-	-
Governance	159	-	-	159
Resources	147	69	78	-
Total	2,069	699	618	752

Directorate	Ref No	Year	Description	Target Savings 2016-17 £'000	Forecast Savings Slippage 2016-17 £'000	Variance (Total Non Delivery) 2016-17 £'000	Additional Forecast Savings 2017-18 £'000	End Date	Status	Comments
Health, Adults & Community	ADU001/16-17	2016/17	Review of Day Services for Older People	241	-	-	-	31/03/17	ACTIVE	This is 'on hold' following the decision taken by Cabinet in January 2016, Agenda item 5.1: "The saving of £241k from the Review Day Services for Older People will only be progressed once suitable alternative to current provision has been found for any service users affected."
Health, Adults & Community	ADU003/16-17	2016/17	New funding arrangements for new Belvedere House	150	150	-	-	31/03/16	COMPLETE	
Health, Adults & Community	ADU005/16-17	2016/17	Reduction in Social Services early retirement costs	71	71	-	-	31/03/16	COMPLETE	
Health, Adults & Community	ESCW054/16-17	2016/17	Review of high cost Learning Disability care packages	50	50	-	-	30/11/16	COMPLETE	This saving has been realised through reviewing care packages to ensure that support is being provided in the most effective and efficient way.
Health, Adults & Community	ADU006/16-17	2016/17	Charging for community Social Care services	540	540	-	-	30/06/17	ACTIVE	Public consultation on the new charging policy has now been completed, and the new policy was agreed by Cabinet in December 2016. The decision was delayed in agreement with the Mayor, with a delayed implementation date of April 2017 in response to feedback.
Health, Adults & Community	ADU007/16-17	2016/17	Sharing Services with NHS Partners	800	279	521	-	30/09/17	ACTIVE	The financial assessment of clients under the new policy is in process and due to be completed during the first quarter of 2017-18. Financial projections indicate that the target will be met in 2017-18.
Health, Adults & Community	ADU008/16-17	2016/17	Improving focus on reablement for social care users	800	478	322	75	31/03/17	COMPLETE	Savings delivered in 2016-17 relate to a restructure of our jointly managed mental health service, deletion of vacant posts in the Commissioning and Health service and making underspends permanent. Further savings to be delivered from 2017-18 relate to integrating the sensory impairment service with other teams (restructure agreed by HAC DMT), and reduction in management posts in the Commissioning and Health service as a result of our joint commissioning review.
Health, Adults & Community	ADU009/16-17	2016/17	Improving focus on maintaining independence for social care users	918	918	-	-	31/03/17	COMPLETE	Work to complete reviews of double handed care packages is ongoing, with some savings banked. Additional savings from avoided cost due to the use of reablement have been identified. Based on current evidence, we now expect slightly higher savings being generated through this project. Further additional savings from reablement have been identified as part of the MFS for 2017-20, therefore this project will now continue for the remainder of the financial year.
Health, Adults & Community	ADU010/16-17	2016/17	Improving the efficiency of the community equipment service	60	60	-	-	30/11/16	COMPLETE	Savings are being realised through the application of the new Practice Framework, launched in April 2016. This is using a more person centred approach to assessment and support planning to reduce the need for direct support from the council through traditional care packages, as it recognises that needs can be met in a variety of ways, including recognition of the role of support from family or wider social networks. A comprehensive programme of workforce development and performance management activity has been implemented to support this change and its impact is being monitored. Our monitoring shows that the target savings have been made.
Health, Adults & Community	ADU011/16-17	2016/17	Commissioning and procuring efficient adult social care	1,373	1,373	-	-	31/10/16	COMPLETE	Savings have now been delivered through efficiency measures in the service.
Health, Adults & Community	ADU012/16-17	2016/17	Working with the NHS to deliver jointly funded care packages	1,000	-	1,000	-	30/09/17	ACTIVE	This saving is being delivered through the existing procurement schedule for contracts that are due to expire and is on track. Budget outturn shows no additional income was raised in 2016-17. However, work is ongoing to review shared funding arrangements and we expect the target to be met in 2017-18. It should be noted that Tower Hamlets has very low income from the NHS for care packages and this is being addressed by the work of this project.
Health, Adults & Community	ADU012/16-17	2016/17	Working with the NHS to deliver jointly funded care packages	-	-	-	1,000	30/09/17	ACTIVE	As above.
Health, Adults & Community	ESCW063/15-16	Historic	Additional restructure Adults OOH. To be linked to 3 other service challenges - ESCW17, 65 & 66	62	62	-	-	31/03/17	ACTIVE	Three possible options to deliver the saving have been identified following a review of the service, and these are now being discussed with management teams with recommendations to DMT scheduled for May 2017. This saving will now be made in 2017-18.
Health, Adults & Community	ESCW065/15-16	Historic	Restructure of Adults out of hours service. To be linked to 3 other service challenges - ESCW17, 63 & 66	62	62	-	-	31/03/17	ACTIVE	Three possible options to deliver the saving have been identified following a review of the service, and these are now being discussed with management teams with recommendations to DMT scheduled for May 2017. This saving will now be made in 2017-18.
Health, Adults & Community	ESCW064/15-16	Historic	Review of PH Strategy Posts	211	211	-	-	15/02/17	COMPLETE	The restructure to achieve this saving permanently has now been completed.

Directorate	Ref No	Year	Description	Target Savings 2016-17 £'000	Forecast Savings Slippage 2016-17 £'000	Variance (Total Non Delivery) 2016-17 £'000	Additional Forecast Savings 2017-18 £'000	End Date	Status	Comments
Health, Adults & Community	ESCW	Historic	One-offs to carry forward	593		593				This line relates to savings previously undelivered and covered by one off measures. The remaining saving relates to savings in Learning Disability day services which were not delivered. Existing savings opportunity ADU012 will deliver additional permanent savings to cover this shortfall.
Health, Adults & Community Total				6,931	2,748	593	1,075			
Children's Services	CHI003/16-17	2016/17	Undergraduate & PGCE bursaries	161	128	-		30/09/16	COMPLETE	The bursary scheme has been ceased as planned however fewer students than anticipated completed their courses during 2016-17 meaning there are some ongoing liabilities. This has resulted in a small amount of slippage into 2017-18.
Children's Services	CHI004/16-17	2016/17	Realignment and funding of efficiencies in early years provision	4,368	4,368	-		31/03/17	COMPLETE	
Children's Services	CHI005/16-17	2016/17	Directorate support services- more efficient working*	160	160	-		31/12/17	ACTIVE	Work has been completed to identify the requirements for support services and administration and was presented to DMTs in February 2017. This has now been handed over to the Smarter Business Support programme to deliver savings from 2017-18.
Children's Services	ESCW034/16-17	2016/17	Directorate administration review*	317	317	-		31/12/17	ACTIVE	Work has been completed to identify the requirements for support services and administration and was presented to DMTs in February 2017. This has now been handed over to the Smarter Business Support programme to deliver savings from 2017-18.
Children's Services	ESCW042/16-17	2016/17	Healthy Lives service - reduction in non staff spend	15	15	-		31/03/16	COMPLETE	
Children's Services	ESCW045/16-17	2016/17	Reduction in Schools early retirement costs	30	30	-		31/03/16	COMPLETE	
Children's Services	CHI006/16-17	2016/17	Review of Child and Adolescent Mental Health services (CAMHS)	200	150	-		30/09/16	COMPLETE	This saving has been achieved through a staff reorganisation starting in the first quarter of 2016-17, which has now been completed. Slippage relates to delays in completing the reorganisation process.
Children's Services	CHI007/16-17	2016/17	Review of Attendance and Welfare Service	100	100	-		30/06/16	COMPLETE	
Children's Services	CHI008/16-17	2016/17	Reduction of General Fund subsidy for Gorsefield Rural Studies Centre	50	50	-		30/06/16	COMPLETE	
Children's Services	CLC002/16-17	2016/17	Renegotiation of Current Leisure Services Contract	1,240	1,240	-		31/03/17	ACTIVE	An in principle decision has been reached with GLL as apart of the renegotiation of the Leisure Service contract fee waiver. The next steps are to report to the Infrastructure delivery steering group and the Infrastructure delivery board for approval on the capital investment of section 106. Approval for the fee waiver and contract extension will need to be made by Cabinet.
Children's Services	CLC003/16-17	2016/17	Making the Youth Service More Efficient	700	700	-		31/03/16	COMPLETE	
Children's Services	ESCW066/15-16	Historic	Extension of day service to incorporate out of hours work. To be linked to 3 other service challenges - ESCW17, 63 & 65	51	-	-		31/03/17	ACTIVE	Three possible options to deliver the saving have been identified following a review of the service, and these are now being discussed with management teams alongside the improvement priorities identified in the Ofsted inspection. This saving will now be made in 2017-18.
Children's Services	CSF 4 (2012)	Historic	Consolidation of information systems- Single View of a Child	255	-	-		31/03/17	ACTIVE	The software to achieve implementation of this project is being implemented. Savings are now expected in 2017-18.
Children's Services	ESCW009/15-16	Historic	Non Delivery of 2015/16 Savings	-	-	-			CANCELLED	Saving reversed (Cabinet December 2016)
Children's Services	ESCW011/15-16	Historic								
Children's Services	ESCW016/15-16	Historic								
Children's Services	ESCW017/15-16	Historic								
Children's Services	ESCW020/15-16	Historic								
Children's Services	ESCW032/15-16	Historic								
Children's Services	ESCW033/15-16	Historic								
Children's Services	ESCW034/15-16	Historic								
Children's Services	ESCW037/15-16	Historic								
Children's Services	ESCW042/15-16	Historic								
Children's Services	ESCW048/15-16	Historic								
Children's Services	ESCW057/15-16	Historic								
Children's Services	ESCW061/15-16	Historic								
Children's Services	CLC035/15-16	Historic	Review of Arts Parks & Events Team	110	-	-		31/03/17	ACTIVE	Restructure not implemented. Savings mitigated by one off management action on expenditure.
Children's Services Total				7,757	6,781	-	976			

Directorate	Ref No	Year	Description	Target Savings 2016-17 £'000	Savings 2016-17 Delivered £'000	Forecast Savings Slippage 2016-17 £'000	Variance (Total Non Delivery) 2016-17 £'000	Additional Forecast Savings 2017-18 £'000	End Date	Status	Comments
Place	CLC004/16-17	2016/17	Discontinue the Incontinence Laundry Service	41	41	-	-	-	31/03/16	COMPLETE	
Place	CLC005/16-17	2016/17	Alternative Service Delivery Model for Animal Warden Service	160	-	160	-	-	31/03/17		The SLA with Hackney Council is currently in negotiation and a business case to support the process and subsequent HR actions is being prepared. The process for Staff consultation will need to be completed prior to implementation. Based on updated data regarding dogs collected the original assumptions will need to be revised.
Place	CLC006/16-17	2016/17	Income Generation Opportunity from CCTV Network	400	-	200	200	-	31/03/17		The original savings identified was speculative until a report was received from Consultants detailing actual savings expected from this proposal. The consultant, Regional Network Solutions (RNS), have completed the report and their assessment suggests that revenue of up to £200k per annum can be achieved, this is £200k below the overall savings target. The timetable for implementation has slipped and is currently being reviewed by the Project Manager.
Place	CLC007/16-17	2016/17	Review of Enforcement Function- More Generic Working	451	-	451	-	-	31/03/17		Savings will now be considered as part of wider service review and reorganisation.
Place	CLC008/16-17	2016/17	School Crossing Patrols to be delivered by Schools	89	-	89	-	-	31/03/17		The proposal has been delayed but is now progressing in 2017-18
Place	CLC010/16-17	2016/17	Alternative funding arrangement for Toilets	100	100	-	-	-	31/03/16	COMPLETE	
Place	CLC011/16-17	2016/17	Reduce funding to local police budgets	270	270	-	-	-	31/03/16	COMPLETE	
Place	CLC012/16-17	2016/17	Review of Streetcare and Streetworks Team	90	90	-	-	-	31/03/16	COMPLETE	
Place	CLC013/16-17	2016/17	Make more parking services available online and by phone	500	500	-	-	-	31/03/16	COMPLETE	
Place	CLC014/16-17	2016/17	Introduction of Car Parking at John Orwell Centre	48	48	-	-	-	31/03/16	COMPLETE	
Place	CLC015/16-17	2016/17	Saving from existing underspend of London Taxi Card budget	100	100	-	-	-	31/03/16	COMPLETE	
Place	CLC016/16-17	2016/17	Reduction in Blackwall Tunnel Approach Cleansing	75	75	-	-	-	31/03/16	COMPLETE	
Place	CLC017/16-17	2016/17	Alternative Waste Disposal Solution	150	150	-	-	-	31/03/16	COMPLETE	
Place	CLC010/15-16	Historic	Deliver more street care monitoring through champions and volunteers	140	140	-	-	-	15/05/15	COMPLETE	
Place	CLC012/15-16	Historic	Introduce Residual waste limits for multi occupancy premises	100	100	-	-	-	31/03/17		This will progressed as part of the Waste Policy Review. From Public Realm budget.
Place	D&R001/16-17	2016/17	Management of vacancies and review of pensions contributions	200	200	-	-	-	31/03/16	COMPLETE	
Place	D&R002/16-17	2016/17	Corporate Landlord and other Commissioning Efficiencies	125	125	-	-	-	31/03/16	COMPLETE	
Place	D&R003/16-17	2016/17	Increased productivity and commercialisation of planning and building control services	100	100	-	-	-	31/03/16	COMPLETE	
Place	D&R005/16-17	2016/17	Reduction to the Mainstream Grants Budget	40	40	-	-	-	31/03/16	COMPLETE	
Place	D&R006/16-17	2016/17	Reorganisation of Housing Management & Procurement Teams	145	145	-	-	-	31/03/17	ACTIVE	The failure to agree the staffing restructure has not been resolved despite repeated efforts of senior managers to accommodate aspects of the trade union position, whilst securing revenue savings required. JCAG scheduled to consider Housing Options Review on 10th May 2017
Place	D&R007/16-17	2016/17	Restructure of Programme Management & Assurance Team	90	90	-	-	-	31/03/16	COMPLETE	
Place	D&R008/16-17	2016/17	Generating more income from council assets	50	-	50	-	-	31/03/17	ACTIVE	The commission for Business district Wi-Fi has, at the request of the Corporate Leadership Team, been joined together with the emerging Growth bid for delivering free Wi-Fi for residents of the borough. The programme requires redesign in order to fulfil both residential and business requirements. Work is progressing but the saving cannot materialise until a commissioned contract is in place to generate income.
Place	D&R009/16-17	2016/17	Directorate transformation and efficiency programme	50	50	-	-	-	30/08/16	COMPLETE	

Directorate	Ref No	Year	Description	Target Savings 2016-17 £'000	Savings 2016-17 Delivered £'000	Forecast Savings Slippage 2016-17 £'000	Variance (Total Non Delivery) 2016-17 £'000	Additional Forecast Savings 2017-18 £'000	End Date	Status	Comments
Place	D&R018/15-16	Historic	Housing Management	96	96	-	-	-	31/03/17	ACTIVE	The failure to agree the staffing restructure has not been resolved despite repeated efforts of senior managers to accommodate aspects of the trade union position, whilst securing revenue savings required. JCAG scheduled to consider Housing Options Review on 10th May 2017
Place	D&R019/15-16	Historic	Options and Prevention and Assessments	83	83	-	-	-	31/03/17	ACTIVE	The failure to agree the staffing restructure has not been resolved despite repeated efforts of senior managers to accommodate aspects of the trade union position, whilst securing revenue savings required. JCAG scheduled to consider Housing Options Review on 10th May 2017
Place Total				3,693	2,543	950	200	-			
Governance	LP0001/16-17	2016/17	Service Efficiency: Deletion of Vacant Post	45	45	-	-	-	31/03/16	COMPLETE	
Governance	LP0002/16-17	2016/17	Review of external spend	50	50	-	-	-	31/03/16	COMPLETE	
Governance	LP0003/16-17	2016/17	Reduction in children's court fees budget	40	40	-	-	-	31/03/16	COMPLETE	
Governance	LP0004/16-17	2016/17	Increase external income from Legal Services	25	25	-	-	-	31/03/16	COMPLETE	
Governance	LP0005/16-17	2016/17	Deletion of Burial Subsidy Scheme	20	20	-	-	-	31/03/16	COMPLETE	
Governance	LP0002/15-16	Historic	Implementation of Registration Service new business model	80	-	-	80	-	31/03/17		The registrar's service continues to face difficulties in trying to generate the level of income required to meet the cost of additional staff and deliver savings that were agreed as part of the 2015-16 budget process. In the short term this is covered by underspends elsewhere within the directorate. The service is reviewing the deliverability of this saving in the longer term.
Governance	LP0010/15-16	Historic	Staffing and associated efficiencies	79	-	-	79	-	31/03/17		As above.
Governance Total				339	180	-	159	-			
Resources	RES001/16-17	2016/17	Downsizing of Contact Centre Management Team	19	19	-	-	-	31/03/16	COMPLETE	
Resources	RES002/16-17	2016/17	Corporate Finance Staffing - process savings	100	100	-	-	-	31/03/16	COMPLETE	
Resources	RES003/16-17	2016/17	Partnership delivery of employment programmes	150	150	-	-	-	31/03/16	COMPLETE	
Resources	RES004/16-17	2016/17	Benefits Service Assessment	30	30	-	-	-	31/03/16	COMPLETE	
Resources	RES005/16-17	2016/17	ICT reduction through down-sizing of user base	150	150	-	-	-	31/03/16	COMPLETE	
Resources	RES006/16-17	2016/17	Better recovery of Court Costs	50	50	-	-	-	31/03/16	COMPLETE	
Resources	RES007/16-17	2016/17	Housing Benefit Overpayment Recovery	126	126	-	-	-	31/03/16	COMPLETE	
Resources	RES028/15-16	Historic	More efficient working across Central Service (HR) and Staffing Reduction in Pensions Team	78	-	78	-	-	31/03/17	ACTIVE	The Business Support programme is implementing an overall project that will deliver these historic savings in 2017-18
Resources	CLC040/15-16	Historic	Review of Idea Store	69	69	-	-	-	30/09/16	COMPLETE	
Resources Total				772	694	78	-	-			

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Non-Executive Report of the: Overview and Scrutiny Committee 20 th July 2017	
Report of: Sharon Godman, Divisional Director, Strategy Policy & Partnership Service, and Asmat Hussain, Corporate Director, Governance.	Classification: Unrestricted
A More Cohesive Borough: A Scrutiny Challenge Report	

Originating Officer(s)	Muhibul Hoque, Strategy, Policy and Partnership Officer – Strategy, Policy, and Partnership Service
Wards affected	All

Summary

1.1 This report provides the report and recommendations of the scrutiny challenge session held on 12th of April on community cohesion for consideration.

Recommendations:

The Overview and Scrutiny Committee is recommended to:

1. Agree the report and the recommendations; and
2. Authorise the Divisional Director of Strategy, Policy and Partnership to amend the draft report before submission to Cabinet, after consultation with the Chair of the Overview and Scrutiny Committee.

1. REASONS FOR THE DECISIONS

- 1.1 This report outlines the findings and recommendations from the “A More Cohesive Borough: A Scrutiny Challenge Session”, which was part of the Overview & Scrutiny Sub-Committee’s work programme for the 2016/17 municipal year.

2. ALTERNATIVE OPTIONS

- 2.1 The committee may decide to not to agree the recommendations. This is not recommended as the report outlines work undertaken by Councillors and officers to identify areas of improvement.

3. DETAILS OF REPORT

Background and context

- 3.1 The Scrutiny Lead for Governance, Councillor Muhammad Ansar Mustaqim as part of his work programme for 2016/17 agreed to Chair a scrutiny challenge session to consider the implications of the national review by Dame Louise Casey on opportunity and integration, in the borough.
- 3.2 This challenge session offered the opportunity to review the work that the Council and its partners have undertaken/commissioned to deliver improved cohesion outcomes and to understand the impact of this work. Members wanted to understand what the important issues are related to cohesion in the borough and what can be done further to enhance cohesion.
- 3.3 The scrutiny challenge session membership included:

Name	Title	Organisation
Councillor Muhammad Mustaqim	Chair, Cllr Independent Group, St Peter's ward	LBTH
Councillor Shiria Khatun	Cabinet Member for Community Safety & Cohesion	LBTH
Councillor Amina Ali	Cllr, Labour, Bow East	LBTH
Fokrul Hoque	Chair	Safer Neighbourhood Board
Gemma Cossins	Acting CEO	THVCS
Sadia Ahmed	Deputy Young Mayor	LBTH
Emily Fieran Reed	Cohesion, Community Engagement & Commissioning Manager	LBTH, Strategy, Policy & Partnership
Gulam Hussain	Senior Strategy, Policy & Performance Officer	LBTH, Strategy, Policy & Partnership
Iqbal Raakin	Strategy, Policy & Performance Officer	LBTH, Strategy, Policy & Partnership
Muhibul Hoque	Strategy, Policy & Performance Officer	LBTH, Strategy, Policy & Partnership
Simon Leveaux	Deputy Head of Idea Store Learning	Idea Store Learning, LBTH
Leanne Chandler	Skills for Life Manager	Idea Store Learning
Paul Jordan	Prevent Co-ordinator	Community Safety, LBTH

3.8 Evidence gathering and methodology

3.9 The review specifically looked at:

- The definition of community cohesion.
- National reviews related to cohesion.
- The key findings from the Casey Review and to establish to what extent those findings were prevalent in Tower Hamlets by considering and comparing factual and statistical evidence.
- The Council's Cohesion Programme which included a prima facie review of existing projects and funding

- The Council's approach to grants and the associated impact on improving cohesion outcomes.
- Language as driver of cohesion, including a consideration of the effectiveness of English for Speakers of Other Languages (ESOL) provision.
- The impact of council policies on cohesion such as the school admissions, housing and planning policies.
- A consideration of the social and economic data and trends and the consequential impact on the gentrification of the borough.
- The context of the Equalities Act 2010 and the Public Sector Equalities Duty on the Council to foster good relations between people and the Council's leadership role on cohesion.

3.10 The report with recommendations is attached as Appendix 1. There are six recommendations arising from the challenge session held on April 12th 2017. It is useful to note that the report reflects the discussion from a two hour challenge session. The report recognises the limited amount of time that was available to cover such a wide ranging topic as cohesion. The report therefore focusses on the particular aspects of cohesion that the challenge session felt were important for Tower Hamlets. A recommendation has been made to consider setting up a taskforce that looks at cohesion in more detail to address this.

3.11 The report also highlights that the Council is leading on best practice in this area, as an example its role and involvement with London Councils to help develop the future approaches is noted and recognised. The report also recognises the range and scale of projects being undertaken by the Council, addressing cohesion in Tower hamlets. The report makes recommendations which aim to further enhance cohesion outcomes for the borough.

3.12 Findings from the challenge session discussion, which included qualitative evidence and Councillors practical experience in the field, have been supplemented by additional secondary sources. These include review of population statistics and trends, ward data, as well as consideration of the impact of legislation and findings from national reviews. The recommendations arising from this range of evidence sources are outlined below:

Recommendation 1: The Council develops an approach and action plan to: mainstream cohesion across Council services and activities, explore external funding opportunities and develop a robust evaluation, review and reporting process for all cohesion activities and initiatives

Recommendation 2: Idea Store Learning should explore a common assessment process between internal and external providers of ESOL in the borough to ensure appropriate analysis of user needs and better matching to course places.

Recommendation 3: The Council should commission more projects which tackle isolation and encourage strong positive relations and friendship between different groups in the borough.

Recommendation 4: The Council reviews the Grant and Commissioning Policies to ensure that there is a stronger focus on cohesion.

Recommendation 5: Explore how leadership on cohesion can be developed by the Council through the delivery of specialised training for Councillors, senior officers and community leaders.

Recommendation 6: Explore setting up a taskforce to consider the impact of gentrification on cohesion in the borough.

4. COMMENTS OF THE CHIEF FINANCE OFFICER

- 4.1 There are no direct financial implications arising from this report. However, if any of the six recommendations made by the scrutiny challenge report are adopted and it is ascertained that additional financial resources will be required to implement them; officers will then be obliged to seek appropriate approval through the Council's financial approval process.

5. LEGAL COMMENTS

- 5.1 The Council is required by section 9F of the Local Government Act 2000 to have an Overview and Scrutiny Committee and to have executive arrangements that ensure the committee has specified powers. Consistent with this obligation, Article 6 of the Council's Constitution provides that the Overview and Scrutiny Committee may consider any matter affecting the area or its inhabitants. The Committee may also make reports and recommendations to the Full Council or the Executive in connection with the discharge of any functions.
- 5.2 The Casey review report highlighted a number of challenges to integration including those stemming from immigration with net migration figures continually rising; minority ethnic groups becoming more dispersed whilst also being more concentrated and segregated in areas across the UK; and lack of English language proficiency amongst certain ethnic groups inhibiting integration and exacerbating inequalities, especially for some groups of ethnic minority women. The challenges, identified included: Building community resilience; Putting greater emphasis on British Values; Reducing economic exclusion, inequality and segregation; and Providing better leadership and integrity in public office.
- 5.3 Following the Casey Review, an All Party Parliamentary Group (APPG) on Social Integration, Chaired by Chuka Umunna MP, published an interim report on Integration of Immigrants. The report echoed many of the points raised by Louse Casey in her review. There were key distinctions and which were that the APPG report focused on integration of immigrants rather than those from

specific ethnic or religious backgrounds. It also talked about integration as a “two way street” i.e. that the onus for integration is upon both the immigrant and the host communities. It noted that conflating integration with extremism was counter-productive and may lead to alienation of certain communities and therefore recommended that local action plans on integration are produced.

5.4 The Challenge Session’s reviewed the work that the Council and its partners have undertaken/ commissioned to deliver improved cohesion outcomes and to understand the impact of this work as well as what can be done further to enhance cohesion. Six recommendations have been proposed and all are capable of being undertaken within the Council’s powers.

5.5 When considering its approach to this report and its recommendations, 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 do not. Information relevant to this is contained in the One Tower Hamlets section below.

6. ONE TOWER HAMLETS CONSIDERATIONS

6.1 This challenge session report carries out an assessment of cohesion in the borough and makes a set of recommendations for the Council and its VCS partners to enhance cohesion. The Council and its partners are under a public sector equalities duty to foster good relations between those with a protected characteristics and the wider community. This report makes a number of recommendations which ensure that the Council achieves a number of positive cohesion related outcomes. The recommendations seek collaborative working across the organisation, with local partners, stakeholders and residents which ensure and foster good relations between residents from different backgrounds.

7. BEST VALUE (BV) IMPLICATIONS

7.1 The recommendations in this report are made as part of the Overview & Scrutiny Committee’s role in helping to secure continuous improvement for the council, as required under its Best Value duty.

8. SUSTAINABLE ACTION FOR A GREENER ENVIRONMENT

8.1 There are no direct sustainable actions for the greener environment arising from this report.

9. RISK MANAGEMENT IMPLICATIONS

9.1 Once the report has been agreed by Governance DMT and Overview and Scrutiny Committee, officers will produce a detailed action plan, to implement the recommendations. Therefore, during the action planning stage the key risks, implications and mitigating actions will be identified and agreed.

10. CRIME AND DISORDER REDUCTION IMPLICATIONS

- 10.1 There are no direct sustainable actions for greener environment arising from this report.
-

Linked Reports, Appendices and Background Documents

Linked Report

- NONE

Appendices

- Appendix 1: A More Cohesive Borough: A Scrutiny Challenge Report

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.

A More Cohesive Borough: A Scrutiny Challenge Report



June 2017



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The Chair's Foreword

The London Borough of Tower Hamlets has always had a rich history of diversity, with over a 130 languages spoken in our schools. We have always been a welcoming borough, for hundreds of years new communities have settled in Tower Hamlets because of the opportunities available here. Our Council has always reflected the ethos of diversity and inclusion in its work.

However modern day challenges do exist with an increase in terrorism and hate crime, it is now more important than ever that our community is less divided and more cohesive. The Casey Review made a number of suggestions to help foster a better relationship between different groups, to promote the mixing of different groups, this report takes that into account. On the other hand, the borough has challenges that were not addressed in the report such as the fast pace of development and its impact on segregation and exclusion of the settled communities.

There is an opportunity to take a more holistic approach to how cohesion work is carried out in the future. This report has tried to provide the initial impetus for this work. The Council has a strong track record on tackling inequality and has made good progress even though those challenges still continue today. We need to make a distinction between cohesion and equalities, the former is focused on people of different backgrounds interacting with each other and the latter on specific protected characteristics. Under the Equalities Act 2010 the Council and its partner service providers have a responsibility to foster good relations between people and improve cohesion in the borough. Whilst the latter may have a positive impact on cohesion there is a need to have a stronger focus on cohesion especially at this time.

With limited resources we need to be assured that cohesion is being delivered in the right way to achieve positive outcomes for all. Within the context of this report as a community leader I have been thinking about how we can develop strong leadership focused on cohesion with Members, senior officers, and community leaders to ensure that as leaders we understand its importance and are promoting the right messages.

I am grateful to the challenge session members for their passion, time, energy, thoughts, and insights which really drove our discussion and were instrumental in producing this valuable report.

Councillor Muhammad Ansar Mustaquim
Scrutiny Lead, Governance

Summary of Recommendations

Recommendation 1: The Council develops an approach and action plan to: mainstream cohesion across Council services and activities, explore external funding opportunities and develop a robust evaluation, review and reporting process for all cohesion activities and initiatives.

Recommendation 2: Idea Store Learning to explore a common assessment process between internal and external providers of ESOL in the borough to ensure appropriate analysis of user needs and better matching to course places.

Recommendation 3: The Council should commission more projects which tackle isolation and encourage strong positive relations and friendship between different groups in the borough.

Recommendation 4: The Council reviews the grant and commissioning policies to ensure that there is a stronger focus on cohesion.

Recommendation 5: Explore how leadership on cohesion can be developed by the Council through the delivery of specialised training for councillors, senior officers and community leaders.

Recommendation 6: Explore setting up a taskforce to consider the impact of gentrification on cohesion in the borough.

1. Introduction and Rationale

The reason for the challenge session

- 1.1 Dame Louise Casey was asked to undertake a major review of integration in Britain to consider what could be done to boost opportunity and integration in our most isolated and deprived communities. The Scrutiny Lead for Governance as part of his work programme for 2016/17 agreed to hold a challenge session to consider the implications of the Casey Review in the borough.
- 1.2 This challenge session offered the opportunity to review the work that the Council and its partners have undertaken/commissioned to deliver improved cohesion outcomes and to understand the impact of this work. Members wanted to understand what the important issues are related to cohesion in the borough and what can be done further to enhance cohesion. The findings and recommendations from the session have been conveyed in this report.

The challenge session panel membership

- 1.3 The following Members and officers attended the challenge session held on 12th April 2017:

Name	Title	Organisation
Councillor Muhammad Mustaquim	Chair, Cllr Independent Group, St Peter's ward	LBTH
Councillor Shiria Khatun	Cabinet Member for Community Safety & Cohesion	LBTH
Councillor Amina Ali	Cllr, Labour, Bow East	LBTH
Fokrul Hoque	Chair	Safer Neighbourhood Board
Gemma Cossins	Acting CEO	THVCS
Sadia Ahmed	Deputy Young Mayor	LBTH
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Muhibul Hoque	Strategy, Policy & Performance Officer	LBTH, Strategy, Policy & Partnership
Simon Leveaux	Deputy Head of Idea Store Learning	Idea Store Learning, LBTH
Leanne Chandler	Skills for Life Manager	Idea Store Learning
Paul Jordan	Prevent Co-ordinator	Community Safety, LBTH

2. The National & Legislative Context

The Definition of Community Cohesion

2.1. Community cohesion has been defined by the government as going beyond race equality and social inclusion. A cohesive community is where: there is a common vision and sense of belonging by all communities; the diversity of people's backgrounds and circumstances is appreciated and valued; similar life opportunities are available to all; and a society in which strong and positive relationships exist and continue to be developed in the workplace, in schools and in the wider community. ¹

National Reviews Related to Cohesion

The Cantle Report (2001)

2.2. In the wake of a series of race riots in 2001 in Bradford, Burnley, Leeds and Oldham the then Home Secretary, David Blunkett commissioned Professor Ted Cantle to deliver the Cantle Report (2001) which discussed segregation and integration in these communities.. He found that the communities in each of these areas were so segregated and polarised that residents led 'parallel lives'. He also noted that mutual ignorance of inward-facing communities can easily turn to fear of one another and then violence.

The All Party Parliamentary Group (APPG) on Social Integration Report (August 2016)

2.3. The APPG on Social Integration Chaired by Chuka Umunna MP also considered these issues and published an interim report in August 2016 (final report to be published in July 2017) which considered how the UK's immigration system could more effectively promote integration. The report partly reflected similar points made by the Casey Review but it also saw integration as a two-way street (i.e. the responsibility for integration sits with the host community as well as newcomers).

The Casey Review (December 2016)

2.4. The Casey Review considered which actions were required to boost opportunity and integration in our most isolated and deprived communities. The review was published by the Department for Communities and Local Government (DCLG) in December 2016.

2.5. In summary the report identified a number of challenges to integration including:

- Net migration figures rising continuously;

¹ This definition is based on the Government and the Local Government Association's definition first published in *Guidance on Community Cohesion, LGA, 2002* and resulting from the *Cantle Report in 2001*.

- Ethnic groups being dispersed in some areas whilst also being concentrated and segregated from other groups in other areas across the UK, leading to a lack of diversity in schools and wards;
- Lack of English language aptitude amongst specific ethnic groups constraining social and economic integration and worsening inequalities particularly for ethnic minority women.

2.6. The findings of the Casey Review² focused particularly on Bangladeshi and Pakistani communities, and set up a dichotomy between Bangladeshi and Pakistani communities against other communities such as African and White British. The report focused on northern towns and cities such as: Blackburn, Bradford, Burnley, and Birmingham. The review concluded that segregation exists where high proportion of ethnic minority groups are concentrated in particular wards; to improve social and economic integration it suggested that more social mixing of groups is required.

2.7. It linked segregation to economic exclusion, so for example the report linked a high concentration of ethnic minority population to social economic exclusion such as unemployment, lack of disposable income and discrimination towards women and it noted the cultural barriers which were the drivers of this.

2.8. In terms of recommendations the report suggested:

- Building community resilience by empowering marginalised women and promoting social mixing
- And putting greater emphasis on 'British' values

2.9. The report further suggested that approaches to reducing economic, inequalities, segregation and social exclusion should include;

- Increasing integration in schools;
- Having more English for Speakers of Other Languages (ESOL) provision;
- Overcoming cultural barriers to employment
- Amending housing and regeneration policies;
- Providing better leadership and integrity in public office.

2.10. The government was due to publish a response to the Casey Review in Spring 2017 and had indicated that there will be an integration plan to address the recommendations in the report however no response has been forthcoming and it is unclear when this is likely to be.

The Legislative Context

2.11. Under the Equalities Act 2010³ there is a Public Sector Equalities Duty (PSED). This duty requires the Council and its partner providers to evidence 'due regard'. This means that the Council has to consider how they can

² <https://www.gov.uk/government/publications/the-casey-review-a-review-into-opportunity-and-integration>

³ <http://www.legislation.gov.uk/ukpga/2010/15/section/149>

positively contribute to the advancement of equality by eliminating discrimination and fostering good relations between those with protected characteristics and those with not, thereby having a positive impact on cohesion. Protected characteristics include: age, disability, gender reassignment, race, religion or belief, sex, sexual orientation, marriage, civil partnership, pregnancy and maternity. The duty requires equality considerations to be reflected into the design of policies and the delivery of services, including internal policies, and for these issues to be kept under review.

3. The Regional Context

- 3.1. At the 'Social Integration Event' organised by London Councils on 6th April 2017 a number of key London local authorities such as Westminster, Hackney, Lambeth and Tower Hamlets engaged on emerging regional and national priorities and shared best practice taking place regionally on cohesion.
- 3.2. At this event Matthew Ryder, the Deputy Mayor for Social Integration at the Greater London Authority (GLA) referred to work he is leading on in developing an integration strategy for London and discussed measures which can be used to assess change (e.g. on cohesion).
- 3.3. Developing an effective measure of cohesion was raised as an issue in the Casey Review, it was suggested that the Government should establish a clear measure for tracking progress on cohesion. Due to the absence of national indicators in this area, measuring and comparing the impact of work to improve cohesion has been a difficulty for local authorities. Local authorities and the GLA are awaiting a response from the Government to the Casey Review to see if any such national measures will be outlined.
- 3.4. The GLA indicated that its objective is to 'mainstream' the cohesion agenda across all areas of its work and this is closely linked to a new community engagement strategy also being developed for London. Work to develop this strategy is in the early development phase.
- 3.5. Currently the Council is using the Annual Resident Survey (ARS) to measure the levels of cohesion in the borough. In the 2016 results, 87% of people said that they got on well together with people from different backgrounds. This was found to be on par with neighbouring borough Hackney. In 2013 (the latest data available) an Ipsos MORI survey in Hackney found 90% of residents felt that people from different backgrounds got on well together. There is no benchmarking information on this across London and therefore it is not known how other London authorities are faring in this regard.

4. The Local Context

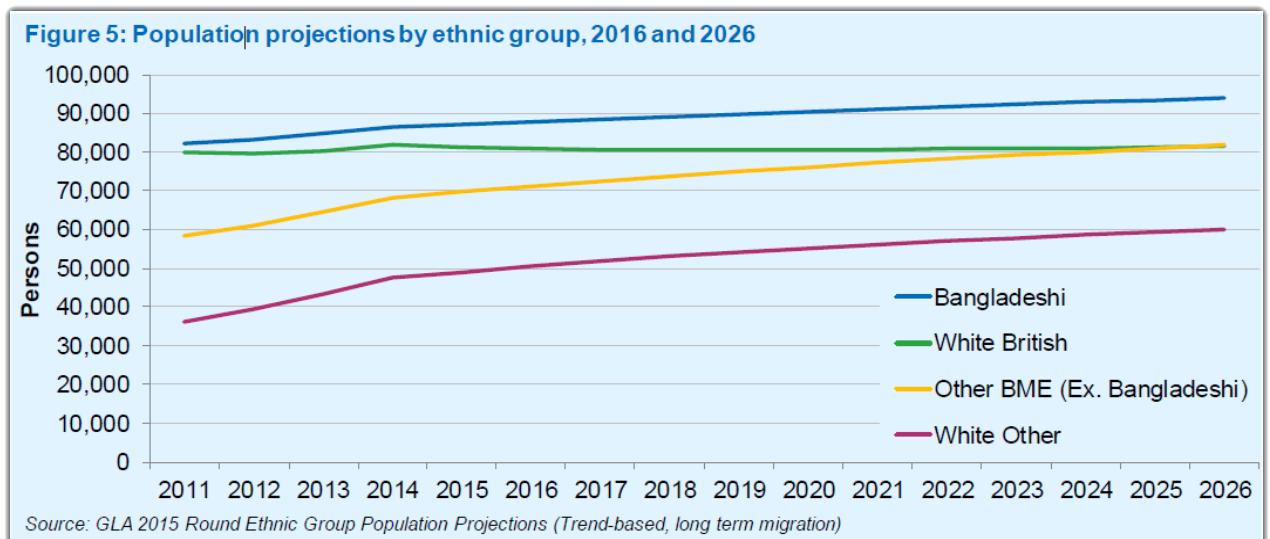
Tower Hamlets Population Demographics

4.1. Tower Hamlets has a population of 284,000, and over the last decade the population has increased by 34.5%, the largest increase of all the local authorities in England and Wales. By 2026 the borough's population is expected to increase by a further 26% to 374,000. These changes are likely to have significant cohesion related impact such as further segregation of specific communities in specific wards, further segregation in schools and further division of the community on class basis.

4.2. The three biggest ethnic groups in Tower Hamlets are:

- Bangladeshi, who make up 32% of the population;
- White British, making up 31% of the population;
- And White other which make up 12.5% of the population.

4.3. GLA population projections from 2016 and 2026 suggest that BME groups will continue to make up the majority of residents of Tower Hamlets. The White British population is projected to increase with only 1% growth over the next ten years. The Bangladeshi population is projected to grow by 7%; Other BME (excluding Bangladeshi) population will rise by 15%. The White Other population will rise by 19%, the largest increase for any of the group (see the graph below).⁴

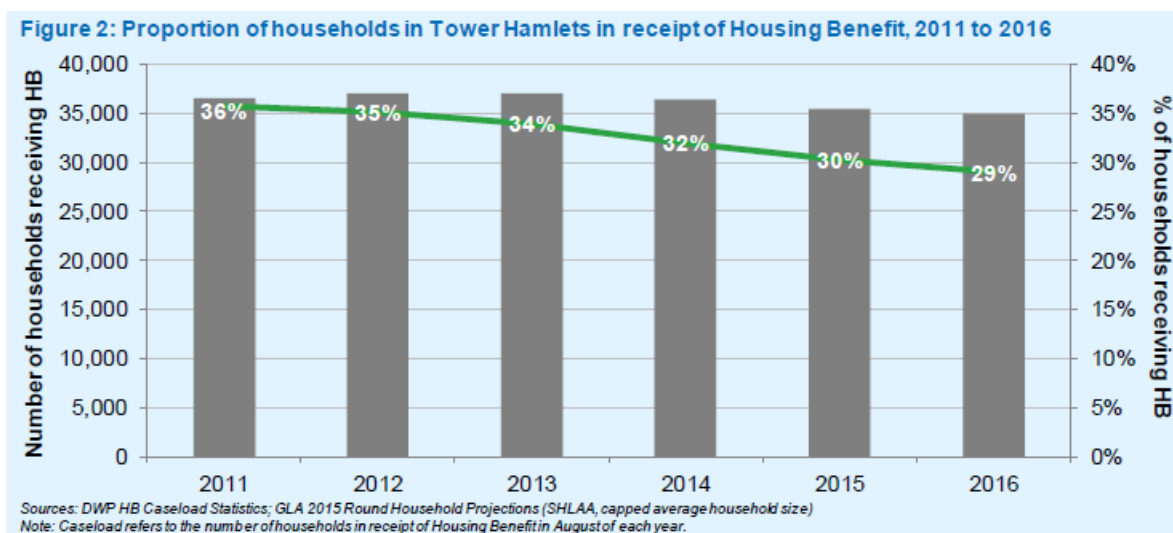


4.4. It should be noted that a large proportion of the White Other group is made up of EU nationals and it is not yet known to what extent this will be impacted by the decision of the UK to leave the European Union.

⁴ http://www.towerhamlets.gov.uk/ignl/community_and_living/borough_statistics/population.aspx

4.5. There has also been a significant change in the socio-economic makeup of the borough. 36% of people belong to social grades A higher/intermediate managerial and grade B - professionals, which is an increase of 6% on last year and better than the national average of 30%.

4.6. There is a decrease in people on benefits. As figure 2 below suggests that the proportion of households in the borough in receipt of housing benefit has fallen over time, from 36% of residents in 2011 to 29% in 2016 suggesting that residents were increasingly moving away from welfare.



4.7. In the latest Annual Resident Survey (2016) 87% of residents feel their local area is a place where people from different backgrounds get on well together which is up 6 points on 2015 and is at an all-time high suggesting that on the face of it the borough is cohesive.

School Pupil Demographics

4.8. The number of pupils who have English as a second language is 46% which is the 8th highest in London. In terms of languages there are 130 languages spoken in the borough's schools. Whilst this demonstrates diversity in the borough's schools to what extent have schools promoted the mixing of pupils from different backgrounds?

4.9. In primary schools 61% of the population are of Bangladeshi origin and in secondary this is 67%. 44% of the borough's schools have a far higher proportion of Bangladeshi pupils (70% or more) and 28% have higher than 80% of Bangladeshi population. According to the Casey Review the concentration of pupils of a specific community may lead to a lack of integration and segregation. Casey states "One striking illustration of such segregation came from a non-faith state secondary school we visited where, in a survey they had conducted, pupils believed the population of Britain to be between 50% and 90% Asian, such had been their experience up to that

point”.⁵ Casey suggests school admissions policy should be changed to reflect these concerns however currently existing legislation limits what the Council can do to influence school admissions policy e.g. the Council only controls admissions policy for specific maintained schools but not foundation schools, academies and free schools. It would require changes to primary legislation in order to influence admission policy either locally or regionally and therefore a response from Government is required.

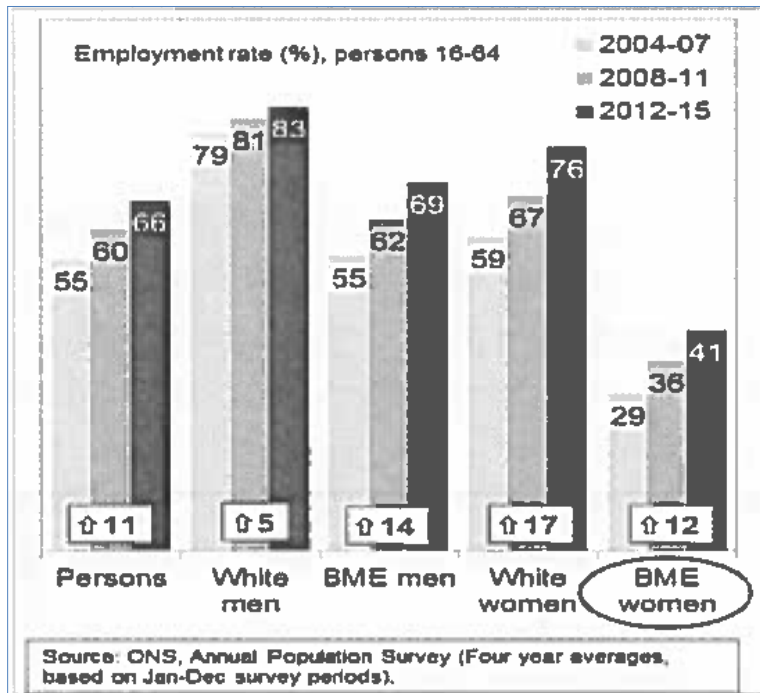
Employment figures for BME women

4.10. Paragraph 6.46 which represents a breakdown of the borough’s wards by ethnicity establishes that there are parts of the borough which are segregated at least on geographical lines. According to Casey, segregation and lack of integration can be linked to economic exclusion this can be particularly seen in the lower employment rate of ethnic minority women.⁶

4.11. The borough has low levels of employment of BME women which includes a high proportion of Bangladeshi women. During 2012 – 15 it is estimated that around 41 per cent of working age BME women were in employment in Tower Hamlets – 35 percentage points lower than the employment rate for White women (76%) and 28 points lower than the rate for BME men (69%). Comparing this to Casey’s findings which found low levels of economic inactivity amongst women from Pakistani and Bangladeshi ethnic groups – she found that 57.2% are inactive in the labour market compared with 25.2% of White women and 38.5% of all ethnic minority women. It would then seem that as Casey says in relation to social and economic integration “there is a strong correlation of increased segregation among Pakistani and Bangladeshi ethnic households in more deprived areas, with poorer English language and poorer labour market outcomes, suggesting a negative cycle that will not improve without a more concerted and targeted effort”.

⁵https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/575975/The_Casey_Review_Executive_Summary.pdf , page 14.

⁶https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/575975/The_Casey_Review_Executive_Summary.pdf , page 14.



The life experiences, decisions and choices that lie behind these figures are complex and multiple, ranging from high levels of unpaid care for children and adults with poor health, low level skills, lack of access to support and experience of discrimination.

4.12. In the 'Breaking Barriers' research conducted by the Economic Development Team in the Council found that women of Bangladeshi and Pakistani heritage found discrimination was present at every stage of the recruitment process when assessing applications during interviews, at recruitment process when assessing applications during interviews with recruitment agencies and also the workplace itself. In 2005 the Equality and Human Rights Commission found that 1 in 5 Bangladeshi women under 35 experienced negative comments about wearing religious dress suggesting that barriers were not solely based on cultural influences.

4.13. We know that the above factors affect women from all backgrounds but some groups are more likely than others to be workless particularly Bangladeshi and Somali women. The Council's Economic Development Team has found that affordable and accessible childcare remains a significant barrier to work for these women. Furthermore it is not clear to what extent these women have intentionally chosen to raise a family over entering the workforce. Therefore the evidence suggests that in this case the findings of the Casey Review is similar i.e. the finding of low levels of employment of BME women but it was debatable whether this was specifically due to cultural barriers as Casey focussed on. Evidence locally suggests that there are combinations of barriers which prevent these women from entering the workforce they include: responsibility for raising a family, access to affordable child care, low grasp of the English language, and discrimination which were stronger barriers to work.

5. The Council's Cohesion Programme

5.1 The Council's Strategy Policy & Partnership Team (The service) manages a number of activities, funds and commissioned projects which build cohesion in the borough. The challenge session discussed the activities of the service and the range of activities was recognised as positive. The borough has an extensive programme in summary this includes:

Partnership working

5.2 The Tension Monitoring Group (TMG) is made up of Council services, the Police and community and voluntary partners. The group responds to tensions which arise within the borough that impact negatively on community cohesion. Specific examples in 2017 include alleged incidents of acid/liquid attacks leaving victims with burns which could possibly be classed as hate crime. In 2016 partners held emergency meetings to discuss and address tensions following;

- Britain First visits outside the East London Mosque
- Alleged incident of police brutality outside Arbour Youth Club

5.3 The group works by establishing a multi-agency partnership approach to share information and intelligence, and develop early interventions to manage imminent and current tensions or cohesion related issues. The TMG meets quarterly and can be convened at any other time in response to major incidents in the borough.

5.4 The Cohesion Working Group, Chaired by the Cabinet Member for Community Safety & Cohesion is comprised of local service providers and stakeholders, and was launched on 20th April 2017, with an aim to:

- To take a more strategic and long term approach to cohesion
- To have an oversight of cohesion work to enable better coordinated and joined up approaches between partners and identify gaps in activity

5.5 The Tower Hamlets No Place for Hate Forum launched the No Place for Hate (NPFH) Campaign which aims to prevent all forms of hate through promoting awareness, encouraging reporting and building community cohesion across all communities. The Council has used a variety of methods to communicate the right messages such as bus stop campaigns and outreach events at hotspot areas, and with many outreach stalls around the borough. To promote a stronger partnership stand against hate and all forms of hate in Tower Hamlets, the Council launched the No Place for Hate Pledge in December 2008, to date:

- 1482 No Place for Hate Personal Pledges and 121 Organisational Pledges have been signed

- NPFH Champions have been recruited and trained, this is made up of 12 local people that deliver hate crime awareness activities which include challenging prejudice and hate

Funding and grants

5.6 The Council's mainstream grants programme spends £105,000 per annum funding a number of small grants for local community organisations to undertake cohesion projects. A good example is the 'Equal Voices Project' delivered by East London Advanced Technology Training which aimed to enable newly-arrived migrant women to be empowered, by engaging with equal participation on local issues that are important and meaningful to them.

5.7 ELATT delivered:

- 37 Citizenship sessions with 296 participants
- 18 Participation in skills workshops
- 10 participants involved in community volunteering

5.8 The Council commissions a number of community forums and large projects which deliver, promote and enhance cohesion in the borough as an example of such a project:

5.9 Section 106 monies from two developments have been used to fund the delivery of a Cohesion Programme focussing on developing and delivering cohesion projects in Mile End and Aldgate East Master plan areas. These projects will be commissioned by the Council and will aim to build local neighbourhood groups that bring people from different backgrounds together to hold events that increase cross cultural understanding and to increase participation in local community activities.

Cohesion offer in Schools

5.10 In order to promote community cohesion amongst young people in schools, the Council has commissioned the HEC Global Learning Centre to deliver a number of initiatives for schools. These include: helping schools develop innovative lesson plans. Delivering 'Train the Trainer' Training Materials for School Council, pupil and staff, that will help develop thinking tools, and raise awareness and understanding amongst young people around issues of community cohesion, equality and hate crime.

6. Findings and Recommendations

Approach & summary of findings

- 6.1 The challenge session considered the key findings from the Casey Review and sought to establish to what extent those findings were prevalent in Tower Hamlets, by considering and comparing factual and statistical evidence. The session also considered those issues which are specific to Tower Hamlets and not necessarily addressed by the Casey Review such as the impact of rapid housing and business development on community cohesion.

Introduction

- 6.2 The challenge session provided an opportunity to take a strategic perspective on cohesion and avoid a silo'd approach to ensure that it is not seen as the responsibility for one team or one department but all relevant council services. It was recognised the efforts and the range of work being undertaken or commissioned by the Council including:

- Funding cohesion projects through the mainstream grants programme;
- Commissioning larger pilot projects such as s106 funded cohesion project for Aldgate and Mile End areas;
- The Council's work with various forums to tackle cohesion issues such as the TMG, community engagement forum, and refugee forum.

It was however noted that there is an absence of an overall cohesion strategy to pull all the Council's activities in this area together.

- 6.3 The session looked at a range of issues to consider the overall approach to community cohesion, including whether the Council's housing/regeneration policies are both designed to improve integration and reduce segregation. It was also considered whether the Council's planning department takes into account how spaces and housing is designed to encourage interaction of different groups. In the Idea Stores the challenge session spoke about the 2 million residents visiting the stores and the spaces that they use and interact with in the stores. There was an identified opportunity to make better use of the 'third space' and how that can be designed better to promote interaction between residents. They also considered the effectiveness of ESOL provision as they recognised that having a good command of the English language is important for integrating into society and accessing economic opportunities.

Mainstreaming cohesion in everything the Council does

- 6.4 Challenge session members felt that when a planning application comes to committee, Members should be asking questions around cohesion and how it will be impacted. It was felt through existing housing development policy the Council was perpetuating the segregation of communities. The session concluded that shared facilities between private dwellings and social tenants in developments were a way of encouraging interaction.

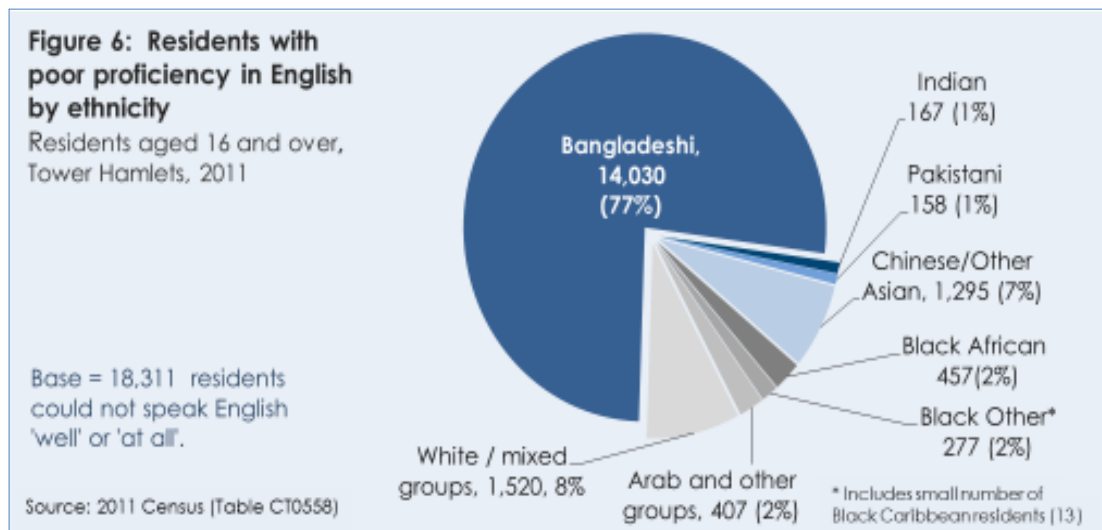
- 6.5 The session discussed how the Council's overall number of Council policies do not support and encourage community cohesion. As an example the Housing and Planning Policy which promotes the division of private dwellings and social housing could lead to segregation and division of communities. In addition school admissions policy does not take into account the mixing of pupils from different backgrounds. There was an identified need of further work to analyse to what extent this occurs in other areas of Council business.
- 6.6 The session looked at an example of the use of S106 development money for the delivery of a projects focussing on aiming to improve cohesion in the Mile End and Aldgate East Master Plan areas. The two projects will be significant in terms of scale, will generate wider interest and could potentially gain recognition as a pathfinder in the local government and voluntary sectors. The two projects aim to increase participation in the local community, build local neighbourhood groups that bring people from different backgrounds together and hold events that increase cross-cultural understanding. The challenge session recommended that the Council undertake similar initiatives and reviewed and documented the lessons learned from this project.
- 6.7 It was also identified that there was limited cross council work on cohesion and that more needed to be done to address the impact on community cohesion of council and partner activities. The session was told about the 'Social Integration Event' organised by London Councils on 6th April 2017. There the GLA said that its objective is to 'mainstream' the cohesion agenda across all areas of its work, Therefore, there is precedence at the regional level that this is the best approach to take.
- 6.8 On funding it was reported that the Council had a fund of 150k to commission cohesion work. The challenge session questioned whether this was enough to deliver cohesion work that would have a lasting impact on the borough. Therefore there was an identified need to maximise the use of external funding and to mainstream cohesion considerations across council services so that funds across the council could be leveraged.

Recommendation 1: The Council develops an approach and action plan to: mainstream cohesion across Council services and activities, explore external funding opportunities and develop a robust evaluation, review and reporting process for all cohesion activities and initiatives.

ESOL provision and language as a driver of cohesion

- 6.9 The Casey Review identified that English language proficiency was a key barrier to integration and it noted that lack of proficiency of the language was an issue which prevented ethnic minority communities fully integrating. The challenge session found that the Council's Idea Store Learning Service's (ISL) ESOL provision was already delivering provision to many ethnic minority group as can be seen in para 6.17.

6.10 In the 2011 census responders who could not speak English 'well' or 'at all' 77% of them were Bangladeshi. The next largest group at 8% was White/mixed groups most likely to predominantly be EU nationals.⁷ A breakdown is provided below:



6.11 ESOL is part of the ISL's delivery of community learning. There are a number of goals and aims in delivering learning to the community which is universal. Idea Stores are required to promote social cohesion in their work as they receive funding from the Skills Funding Agency and in the contract there is a legal requirement to address cohesion.

6.12 The ISL's provision is significantly more targeted towards the lowest 30% of the equalities deprivation index. Neighbouring local boroughs also use Idea Stores and the stores receive 2m visitors a year. National FE choices survey indicated that the Idea Stores were the second highest scoring library and learning service in England. There are two types of ESOL provision delivered: Accredited which involves exams and Non-Accredited which involves informal class room learning.

6.13 ISL's ESOL provision offers:

- A range of accredited and non-accredited ESOL provision from Pre Entry to Level 1.
- Delivery takes place in Idea Stores and outreach centres including schools, Job Centre Plus and children's centres.
- Upon completion of Level 1 ESOL, learners are given the option to progress to Functional Skills English and Maths. This is the first this has been piloted as an internal progression route.
- 13 learners progressed to this and are currently awaiting exam results for Level 1 (there is an aim to progress them to Level 2, which is equivalent to GCSE, and sit these exams in July).

⁷http://www.towerhamlets.gov.uk/Documents/Borough_statistics/Diversity/Language_proficiency_in_Tower_Hamlets.pdf

- Learners can then use their Level 2 qualification to apply for further courses/jobs e.g. teaching assistant training or apply for jobs.

6.14 The challenge session discussed the need to progress more people from ESOL provision on to Level 1 and Level 2 of the Functional Skills English and Maths. It was noted speaking to learners this jump was quite significant and that course hours needed to be extended to further support learners which ISL service has already taken steps to address.

6.15 ISL has recently started offering English conversation clubs in an informal setting – this will help to develop people’s confidence to speak English. Native English speakers come in from local community to support conversation clubs this includes mainly volunteers e.g. an oxford lecturer was supporting these clubs and people from all walks of life thereby supporting positive cohesion outcomes.

6.16 In terms of the numbers using the provision:

- 735 learners attended ESOL programmes in Idea Stores
- 140 learners accessed outreach ESOL provision
- 115 learners enrolled on IT for ESOL courses.
- A further 140 residents attended informal English Conversation Clubs in Idea Stores (co-facilitated by Idea Store staff and volunteers).
- 71% of ESOL learners were female (in line with national averages).
- 360 ESOL learners on accredited programmes in 2015-16 completed ESOL qualifications. The overall pass rate in these exams was 84%.

6.17 The ethnicity of the learners is included in the table below:

ESOL Ethnicity Breakdown 2015-16	% of Total
Asian or Asian British - Bangladeshi	65.53%
White - Other	20.03%
Black or Black British - African	3.68%
All Other	10.77%

Achievement Breakdown	2015-16
Attendance	92%
Retention	85%
Achievement (Accredited & Non-Accredited)	93%

- 6.18 Ofsted rated the service as good in November 2016 and stated: “*Staff members ensure that British values are embedded into the core values of the Idea Stores*”.
- 6.19 ISL used the Council’s core values such as valuing diversity by being inclusive and valuing others’ contribution and engaging others by showing respect, listening and building relationships and partnerships to define British Values for its learners. Respecting and tolerating others, listening to others and observing classroom rules. All learners are encouraged to speak English in lessons so the English language becomes the common factor in their interaction.
- 6.20 There is an opportunity to make the operation of ESOL courses in the borough more efficient, ESOL is 40% of budget for the service. There is a need for sustainable programmes as the service is on a year by year funding from the Skills Funding Agency. It is important to address the funding question. How can funding from the different sources be maximised to make ESOL programmes sustainable?
- 6.21 ISL spoke about working in partnership with other providers of ESOL courses in the borough it recognised that this was needed to ensure better use of resources and deliver cohesion outcomes. Tower Hamlets College is one of the major providers of ESOL in the borough. It has become the project leader for North East London’s Basic English Language for the Unemployed Project after being awarded £2.1 million in funding from the European Social Fund. The project focuses on pre-entry ESOL to support progression to further skills training, and employment through sessions set up to teach important job searching skills such as cv writing and job application.
- 6.22 ISL recognised the need to work in partnership with ESOL providers across the borough. The challenge session identified that the development of a borough wide assessment process would help to ensure a more efficient and best use of funding to deliver ESOL classes across the borough. The borough has numerous providers delivering ESOL however it appears that this is not

co-ordinated efficiently in a central way. The result is that funding is not being used efficiently to fill course places as there may be courses that are not running at full capacity.

- 6.23 The challenge session also determined that there is a need to work in partnership with all providers. One of the ways this might work is that by using a uniform needs assessment process. All partners can assess what people's needs are and assess where there is capacity in the borough to deliver courses so for example if an ESOL class was oversubscribed at an Idea Store, learners could be slotted into an ESOL place that is being run by partners elsewhere in the borough such as Tower Hamlets College or other smaller providers. This would be aligned to the Casey report recommendation on encouraging learners to access ESOL provision and learning the language as a driver for positive cohesion in the community.

Recommendation 2: Idea Store Learning should explore a common assessment process between internal and external providers of ESOL in the borough to ensure appropriate analysis of user needs and better matching to course places.

Commissioning for cohesion outcomes

- 6.24 The challenge session reviewed and contrasted various acute cohesion related issues that were specific to Tower Hamlets, and the extent to which the observations and findings of the Casey review mirrored these issues and social demographic conditions.
- 6.25 The Casey review linked segregation to economic exclusion (e.g. where there is high proportion of ethnic minority in wards it was also found that there was high levels of unemployment amongst women often due to cultural barriers to work). The challenge session found that the dynamics identified in northern towns and cities in the Casey report were not as applicable to Tower Hamlets a borough based in a cosmopolitan city environment in inner London.
- 6.26 There are many different ways social mixing takes place but the Casey report was focussed primarily on schools. There was an identified need to promote cohesion beyond the school and therefore the challenge session felt that Tower Hamlets should go beyond the Casey review recommendations and also consider the level of social mixing that takes place in the borough outside the school environment. They felt that in their experience of working in the community, that this was minimal.
- 6.27 The challenge session asserted that that Tower Hamlets schools are extremely segregated but recognised that this reflected where people had located in the area. There is a perception of deep segregation in the

community as an example the session referred to the trend of the white affluent population sending their children to schools outside the borough.

- 6.28 The Deputy Young Mayor mentioned that at her school, approximately 75% of the school population was Bengali but that this mix in itself did not prevent cohesion... She quoted "I was part of Cambridge maths competition where we got to mix with other people of different backgrounds over a period of time" she felt that schools were not required to have a mixed population to be cohesive but that what was needed was more opportunities for people to meet and interact.
- 6.29 In order to promote community cohesion amongst young people in schools, the Council has commissioned the HEC Global Learning Centre to: develop innovative lesson plans, 'Train the Trainer' Training Materials for School Councils, pupil and staff, that will help develop thinking tools, and raise awareness and understanding amongst young people around issues of community cohesion, equality and hate crime. The challenge session recognised that work was taking place with schools to promote British values and community cohesion however it was felt that more work needed to take place with cohorts outside of the school such as in youth centres.
- 6.30 The challenge session was of the view that the Annual Resident Survey (ARS) measure which suggested that 87% of people in the borough got on well with each other was not an adequate indicator of cohesion in the borough. The challenge session was not sure how this question was phrased but felt the reality did not reflect this. The challenge session recognised that integration and segregation issues were not as polarising as some of the areas mentioned in the Casey review e.g. the tension and violence in northern cities but nevertheless believed there to be divisions in the borough between some BME and non BME groups.
- 6.31 The challenge session recognised the great number of equalities and cohesion related initiatives that have taken place in the borough and the associated positive outcomes and impact. However the challenge session questioned whether the Council considered in its thinking the long term impact of not focussing on Cohesion (i.e. segregation and lack of integration in communities). There was a view expressed that like it was identified in the Casey Review many residents in the borough have developed 'parallel lives' to each other and that more projects needed to focus on bringing people of different backgrounds together to facilitate sustained contact.
- 6.32 One of the points that Casey review raises is the value of friendship. In order to have true cohesion you have to have activities that ensure regular contact and share space together. The session identified the need to provide an environment where social interaction between communities can take place, beyond the school to develop friendships in the community.

Recommendation 3: The Council should consider commissioning more projects which tackle isolation and encourage strong positive relations and

friendship between different groups in the borough.

Approach to grants and delivering cohesion

- 6.33 The challenge session found that the council has not developed an overarching approach or cohesion strategy to pull everything together in relation to cohesion. In this financial year the Council through the Cohesion Working Group will be working with partners and stakeholders to determine the borough's cohesion priorities and agree a comprehensive approach to cohesion across the borough. It was also recognised that this strategy should align/follow the Government's response to Casey and any regional response such as from the GLA.
- 6.34 The challenge session noted that there were notable strengths in the borough. These include; evidence that people want to get involved and are passionate about where they live and there is a demonstrable desire to take part in community events. It was mentioned that through the Voluntary Community Sector there were hundreds of community organisations carrying out cohesion work in the borough. The challenge session discussed the legacy of the 1990s; it is quite natural that people will come to organisations for support from different communities and that there is a natural tendency by the VCS to support migrant communities.
- 6.35 The challenge session suggested that it is important that the Council challenges outcomes of third sector organisations and make sure that they are truly opening up VCS event to others and promoting cohesion.
- 6.36 It was the experience of the Council through the Tension Monitoring Group that most of the racial and other tensions and incidents in the borough are as a result of non-residents coming into the area to stir up discontent such as Britain First coming from outside the borough and causing tension with local residents and that it was rare that major tensions were displayed between residents in the borough. It is however recognised there have been recent alleged incidents of acid/liquid attacks by alleged perpetrators in the borough from a White British background against victims who have a BME background which is currently being investigated.
- 6.37 The challenge session referred to the Old Ford Housing organisation who received an award for the Trinity Community Centre which brought different communities together(e.g. the White British, Somali and Bengali group). The centre achieved cohesion by providing a single venue for these various charitable organisations and their clients to interact. This took away suspicion and fear between these communities leading to a more open and honest relationship. It was suggested that the Council ought to review its community building policy in relation to VCS organisations to see how it can further promote cohesion and to learn from this example.
- 6.38 The session identified a need to ensure VCS partners understood how important cohesion could be in securing future grants and that the Council

policy needed to emphasise its importance more strongly in future funding and commissioning activity.

Recommendation 4: The Council reviews the grant and commissioning policies to ensure that there is a stronger focus on cohesion

The Councils' leadership role

- 6.39 The challenge session stated that Councillors need to be able to effectively scrutinise and appreciate the impact of cohesion in their Council and community roles i.e. when sitting on planning committees scrutinising new development proposals. The Council needs to ensure that the leaders in the community understand the importance of the impact on cohesion and promote the right messages in their day to day role in public office and when interacting with the community. Under the Council's public sector equalities duty the Council has to foster good relations between those with a protected characteristics and those with not. Therefore the Council developing a leadership role in ensuring cohesion is being considered in its policies and decision making would demonstrate it meeting this duty.
- 6.40 The challenge session queried whether there was training for Senior Staff, Members and Community Leaders, the service suggested that it has carried out training but not for this audience. The challenge session felt that strong leadership on cohesion with Members, senior officers, and community leaders needed to be developed. In order to develop leadership on cohesion leaders needed to be informed on cohesion.

Recommendation 5: Explore how leadership on cohesion can be developed by the Council through the delivery of specialised training for councillors, senior officers and community leaders.

Social and economic impact

- 6.41 In the discussion there were a number of challenges to cohesion identified in the borough. The impact of new development on established communities e.g. the rapid regeneration introducing segregation issues, such as, class issues. The challenge session felt that developments are being designed in a way that is perpetuating segregation e.g. social and private housing are being designed in way that physically separates living accommodation between the two groups which results in people not meeting or interacting, not feeling a sense of being part of the community. It was also noted that often children from such gated communities were being sent to schools outside the borough, possibly encouraging further future segregation. It was also noted that there was an absence of shared facilities between these groups such as community centres.

6.42 The challenge session stated that change comes from the top. There was a need to understand the divisions that exist in the community and what can be done about them. There was a need to understand the impact of development and gentrification on existing established communities and how various socio-economic groups live 'parallel and segregated' lives in the borough. There was also a need for the Council to consider its Local Plan and whether community cohesion is being considered in the future development of the borough. The challenge session suggested that the Mayor to consider convening a taskforce that looks into Community Cohesion to address those types of issues.

6.43 According to the census the Bangladeshi population makes up almost one-third (32%) of the borough's population. A breakdown of ethnicity of the population by ward is included below in para 6.47.

6.44 It is useful to note that the Shadwell Ward has a higher than average Bangladeshi population at 52% where the White British population is 20%. The St Dunstan's Ward also has similar demographics with a 51% Bangladeshi population against 23% of White British Population. On the other hand the White British residents comprise 31% of the borough's population and in Bow East Ward; White British make up 50% of the population against 17% of Bangladeshi Population in the Ward. This is also the case in Bow West Ward where there is a 50% White British population and a 21% Bangladeshi population,

6.45 It is therefore evident that at least on geographical lines there is segregation in Tower Hamlets. According to Casey, concentration of people from specific communities can lead to high levels of segregation in schools where the ethnic make-up mirror residential areas and this can lead to a lack of integration into wider society due to not interacting with people of different backgrounds. However, the Council does not have any evidence that such segregation was intentional. Even with segregation, it has not had any records of disturbances within the borough between these different groups. There is recognition by the Council that this may be the unintended consequences of Housing Policy in terms where housing was available to place residents rather than an intentional choice of residents to reside in specific wards.

6.46 The make-up of the other wards is contained in the table below:

WARD	BME %	ETHNIC GROUP		
		BANGLADESHI %	WHITE BRITISH %	WHITE OTHER %
Bethnal Green	53	32	37	11
Blackwall and Cubitt Town	50	15	32	18
Bow East	40	17	50	10
Bow West	41	21	50	9
Bromley North	68	42	25	7
Bromley South	69	44	23	7
Canary Wharf	51	15	29	20
Island Gardens	42	14	39	19

WARD	BME %	ETHNIC GROUP		
		BANGLADESHI %	WHITE BRITISH %	WHITE OTHER %
Lansbury	64	39	28	8
Limehouse	41	17	41	18
Mile End	65	42	25	10
Poplar	67	41	23	10
Shadwell	71	52	20	9
Spitalfields and Banglatown	58	41	27	16
St Dunstan's	70	51	23	7
St Katharine's and Wapping	29	13	50	21
St Peter's	53	34	35	13
Stepney Green	64	47	27	8
Weavers	48	29	38	14
Whitechapel	59	38	26	14

From the Census 2011

Recommendation 6: Explore setting up a taskforce to consider the impact of gentrification on cohesion in the borough.

7. Conclusion

- 7.1 The challenge session has established that there are areas of segregation such as in specific wards in the borough and in some of the borough's schools. However, there is no evidence to suggest that this segregation has been intentional rather it is thought that this is purely accidental and may be a result of the unintended consequences of Housing Policy. This is one of the reasons why the challenge session focused on developing recommendations relating to mainstreaming cohesion across Council services as they believed cohesion wasn't being considered in the decision making process and policies of the Council.
- 7.2 Furthermore, the report has extensively tested the argument that segregation and lack of integration is linked to economic exclusion particularly of BME women. The evidence in the borough is that there are many other reasons for the economic exclusion of BME women rather than segregation or integration for example discrimination by employers and lack of accessible and affordable child care preventing women from entering the workforce.
- 7.3 The challenge session however did find that the lack of English Language proficiency was a barrier to integration and therefore has made recommendations to address the efficiency and effectiveness of ESOL provision in the borough.
- 7.4 The challenge session discussed the need for Councillors to be able to effectively scrutinise and appreciate the impact of cohesion in their Council and community roles i.e. when sitting on planning committees scrutinising new development proposals, or in their interactions with the community. Therefore the session discussed targeted training for Members and

community leaders.

7.5 It was also observed that the rapid development of the borough and the gentrification of Tower Hamlets have had a negative impact on community cohesion. It was felt that this is already creating segregation and lack of integration between classes. The challenge session felt that in the absence of cohesion considerations in planning policy this is likely to make this trend more entrenched through further developments e.g. by physically separating private dwellings and social housing thereby physically separating new communities with settled communities. The session found examples of newcomers sending their children to schools outside the borough as another manifestation of this segregation.