

CABINET REPORTS PACK

MAYOR

Mayor John Biggs

CABINET MEMBERS

Councillor Denise Jones
Councillor Sirajul Islam

(Cabinet Member for Health & Adult Services)
(Statutory Deputy Mayor and Cabinet Member for
Housing)

Councillor Amina Ali
Councillor Rachel Blake
Councillor Asma Begum
Councillor David Edgar
Councillor Abdul Mukit MBE
Councillor Joshua Peck
Councillor Amy Whitelock
Gibbs

(Cabinet Member for Environment)
(Cabinet Member for Strategic Development & Waste)
(Cabinet Member for Community Safety)
(Cabinet Member for Resources)
(Cabinet Member for Culture and Youth)
(Cabinet Member for Work & Economic Growth)
(Cabinet Member for Education and Children's Services)

[The quorum for Cabinet is 3 Members]

MEETING DETAILS

Tuesday, 19 September 2017 at 5.00 p.m.
**C1, 1st Floor, Town Hall, Mulberry Place, 5 Clove Crescent, London,
E14 2BG**

The meeting is open to the public to attend.

Further Information

The public are welcome to attend meetings of the Cabinet. Procedures relating to Public Engagement are set out in the 'Guide to Cabinet' attached to this agenda.

Contact for further enquiries:

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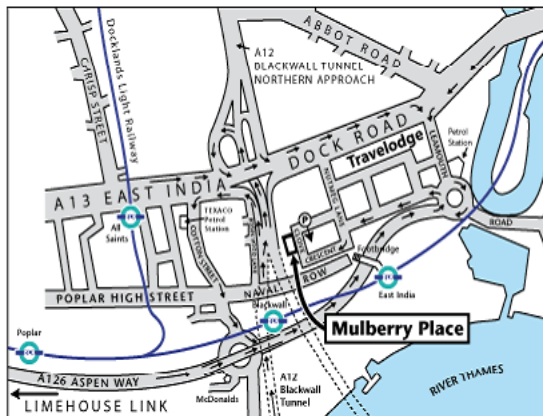
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A Guide to CABINET

Decision Making at Tower Hamlets

As Tower Hamlets operates the Directly Elected Mayor system, **Mayor John Biggs** holds Executive powers and takes decisions at Cabinet or through Individual Mayoral Decisions. The Mayor has appointed nine Councillors to advise and support him and they, with him, form the Cabinet. Their details are set out on the front of the agenda.

Which decisions are taken by Cabinet?

Executive decisions are all decisions that aren't specifically reserved for other bodies (such as Development or Licensing Committees). In particular, Executive Key Decisions are taken by the Mayor either at Cabinet or as Individual Mayoral Decisions.

The constitution describes Key Decisions as an executive decision which is likely

- a) to result in the local authority incurring expenditure which is, or the making of savings which are, significant having regard to the local authority's budget for the service or function to which the decision relates; or
- b) to be significant in terms of its effects on communities living or working in an area comprising two or more wards in the borough.

Upcoming Key Decisions are published on the website on the 'Forthcoming Decisions' page through www.towerhamlets.gov.uk/committee

Published Decisions and Call-Ins

Once the meeting decisions have been published, any 5 Councillors may submit a Call-In to the Service Head, Democratic Services requesting that a decision be reviewed. This halts the decision until it has been reconsidered.

- The decisions will be published on: **Thursday, 21 September 2017**
- The deadline for call-ins is: **Thursday, 28 September 2017**

Any Call-Ins will be considered at the next meeting of the Overview and Scrutiny Committee. The Committee can reject the call-in or they can agree it and refer the decision back to the Mayor, with their recommendations, for his final consideration.

Public Engagement at Cabinet

The main focus of Cabinet is as a decision-making body. However there is an opportunity for the public to contribute through making submissions that specifically relate to the reports set out on the agenda.

Members of the public may make written submissions in any form (for example; Petitions, letters, written questions) to the Clerk to Cabinet (details on the front page) by 5 pm the day before the meeting.

LONDON BOROUGH OF TOWER HAMLETS

CABINET

TUESDAY, 19 SEPTEMBER 2017

5.00 p.m.

	Pages
1. APOLOGIES FOR ABSENCE	
To receive any apologies for absence.	
2. DECLARATIONS OF DISCLOSABLE PECUNIARY INTERESTS	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 Monitoring Officer.	
3. UNRESTRICTED MINUTES	5 - 12
The unrestricted minutes of the Cabinet meeting held on Tuesday 25 July 2017 are presented for approval.	
4. OVERVIEW & SCRUTINY COMMITTEE	
4.1 Chair's Advice of Key Issues or Questions	
Chair of Overview and Scrutiny Committee (OSC) to report on any issues raised by the OSC in relation to unrestricted business to be considered.	
4.2 Any Unrestricted Decisions "Called in" by the Overview & Scrutiny Committee	
(Under provisions of Article 6 Para 6.02 V of the Constitution).	

5. UNRESTRICTED REPORTS FOR CONSIDERATION

5.1	Living Well in Tower Hamlets: the adult learning disability Strategy 2017 - 2020	13 - 22
	<p>Report Summary: Approval of the final adult learning disability Strategy 2017 to 2020</p> <p>Wards: All Wards Lead Member: Deputy Mayor and Cabinet Member for Health and Adult Services Corporate Priority: Creating opportunity by supporting aspiration and tackling poverty</p>	
5.2	Proposal for Mayoral Growth Funding - Additional Police Officers for Neighbourhoods	23 - 34
	<p>Report Summary: Investing in additional police officers in the borough using the Met Patrol Plus scheme.</p> <p>The scheme allows local authorities to purchase additional constables and provides a free constable for every officer purchased.</p> <p>Wards: All Wards Lead Member: Cabinet Member for Community Safety Corporate Priority: Creating and maintaining a vibrant, successful place</p>	
5.3	Electric Vehicle Charging Points	35 - 44
	<p>Report Summary: Approval of strategy for delivery of on-street electric vehicle charging points throughout the borough.</p> <p>Wards: All Wards Lead Member: Cabinet Member for Strategic Development and Waste Corporate Priority: A transformed council, making best use of resources and with an outward looking culture</p>	

5.4	Autism Strategy for Adults 2017-22	45 - 54
<p>Report Summary: Cabinet are asked to agree the Tower Hamlets 2017-20 Autism Strategy.</p> <p>The strategy sets out how the local authority and partner organisations will support adults with autism spectrum disorder over the next three years.</p> <p>Wards: All Wards Lead Member: Deputy Mayor and Cabinet Member for Health and Adult Services Corporate Priority: Creating and maintaining a vibrant, successful place</p>		
5.5	Open Space Strategy 2017 - 2027	55 - 64
<p>Report Summary: To recommend approval of the Open Space Strategy 2017 – 2027</p> <p>Wards: All Wards Lead Member: Cabinet Member for Culture and Youth Corporate Priority: Creating and maintaining a vibrant, successful place</p>		
5.6	2017 Revaluation - Proposed Local Discretionary Business Rates Relief	65 - 78
<p>Report Summary: To agree the two options put forward in the report for awarding business rate relief for the consultation with local businesses and business groups and GLA.</p> <p>Wards: All Wards Lead Member: Cabinet Member for Resources Corporate Priority: A transformed council, making best use of resources and with an outward looking culture</p>		
5.7	Planning for School Places - 2017/18 Review	79 - 100
<p>Report Summary: This report is the annual review of planning for school places. This sets out the projections for the next 10 years, the additional capacity required to meet the need, and plans in place and in development to meet the need.</p> <p>Wards: All Wards Lead Member: Cabinet Member for Education and Children's Services Corporate Priority: A transformed council, making best use of resources and with an outward looking culture</p>		

5.8 Children's Services Improvement- progress report **101 - 114**

Report Summary:

This report provides an update on progress in delivering improvements to Children's Services in response to the report published by Ofsted in April 2017 which rated our services 'inadequate'. The Council's improvement plan aims to achieve a standard of 'good' by April 2019.

Endorsement is sought for the progress made in delivering the Children's Services Improvement Programme.

Wards: All Wards
Lead Member: Cabinet Member for Education and Children's Services
Corporate Priority: A transformed council, making best use of resources and with an outward looking culture

5.9 The Adoption of a Development Viability Supplementary Planning Document **115 - 126**

Report Summary:

To consider adopting a viability SPD.

Wards: All Wards
Lead Member: Cabinet Member for Strategic Development and Waste
Corporate Priority: A transformed council, making best use of resources and with an outward looking culture

5.10 IDF: Approval of S106 Funding to Design and Fit out of Training Centre - at the former London Fruit and Wool Exchange (LFWE) **127 - 136**

Report Summary:

Approval of the allocation of S106 funding and the approval for the adoption of a capital budget in respect of the following project:

- Design and Fit out of Training Centre - at the former London Fruit and Wool Exchange

Approval to fund this project is sought as it will help to deliver positive improvements to people's lives by enhancing residents' skills, tackling worklessness and connecting businesses with their community, which underpins the Community Plan theme of: A Fair and Prosperous Community.

Wards: Spitalfields & Banglatown
Lead Member: Cabinet Member for Strategic Development and Waste
Corporate Priority: A transformed council, making best use of resources and with an outward looking culture; Creating and maintaining a vibrant, successful place

5 .11 Updated Conservation Strategy and Local List Nomination and Selection Process	137 - 148
<p>Report Summary: This report presents an updated Conservation Strategy, which will provide guidance on the management of Tower Hamlets' heritage for a period of five to ten years. It also presents a nomination and selection process enabling the addition of buildings and structures to the Tower Hamlets' Local List. Cabinet is asked to adopt both of these items, and is also asked to note the next steps of updating the Local List.</p>	
Wards:	All Wards
Lead Member:	Cabinet Member for Strategic Development and Waste
Corporate Priority:	Creating and maintaining a vibrant, successful place

5 .12 Tower Hamlets Local Plan 2031: Managing Growth and Sharing the Benefits (Regulation 19 consultation) and Adoption of the Statement of Community Involvement (SCI) Refresh	149 - 164
<p>Report Summary: To approve the publication of the proposed submission version of the Tower Hamlets Local Plan 2031: Managing Growth and Sharing the Benefits along with supporting information including an Integrated Impact Assessment (IIA), evidence base studies and other supplementary information for a six week statutory public consultation and approve the Statement of Community Involvement Refresh.</p>	
Wards:	All Wards
Lead Member:	Cabinet Member for Strategic Development and Waste
Corporate Priority:	Creating and maintaining a vibrant, successful place

5 .13 Article 4 Direction - Office (B1a) to Residential (C3)	165 - 178
<p>Report Summary: Permission to commence statutory public consultation on an Article 4 direction to remove permitted development rights between offices (Use Class B1(a)) and residential (Use Class C3) when the current exemption ceases on 31st May 2017.</p>	
Wards:	Bethnal Green; Blackwall & Cubitt Town; Bow West; Canary Wharf; Limehouse; Mile End; Poplar; Spitalfields & Banglatown; St Katharine's & Wapping; St Peter's; Weavers; Whitechapel
Lead Member:	Cabinet Member for Strategic Development and Waste
Corporate Priority:	Creating and maintaining a vibrant, successful place

5 .14 Food Law Report 2017/18 and Review of 2016/17**179 - 186****Report Summary:**

This report sets out the Council's annual plan for effective enforcement of food safety legislation. The objective of the plan is to ensure that food is produced and sold under hygienic conditions, is without risk to health and is of the quality expected by consumers.

The Food Standards Agency requires Local Authorities to have in place a Food Law Enforcement Service Plan. The plan will form a significant part of the criteria against which Local Authorities will be audited by the Agency to assess their effectiveness in ensuring food safety.

Wards: All Wards
Lead Member: Cabinet Member for Environment
Corporate Priority: Creating and maintaining a vibrant, successful place

5 .15 Under Occupation Review - Action Plan**187 - 194****Report Summary:**

This report will consider the Under Occupation Review Action Plan. On 24th April the Housing Scrutiny Sub-Committee approved the recommendations of the Under Occupation Review Group and instructed officers to develop an Action Plan. The under occupation review group took a closer look at under occupation in social housing, the incentives that could be offered to encourage tenants to downsize and considered some best practices, in other local authorities and partner organisations.

Wards: All Wards
Lead Member: Deputy Mayor and Cabinet Member for Housing
Corporate Priority: A transformed council, making best use of resources and with an outward looking culture

5 .16 Leisure Services Contract Fee Waiver Negotiations**195 - 204****Report Summary:**

Cabinet are asked to approve the fee waiver arrangements negotiated with the current leisure provider and authorise the corporate director and the Head of Legal to execute the contract documents.

Wards: All Wards
Lead Member: Cabinet Member for Culture and Youth
Corporate Priority: A transformed council, making best use of resources and with an outward looking culture

5 .17 Corporate Budget Monitoring 2017/18 (Month 3/Q1)	205 - 238
<p>Report Summary: To consider the recommendations as set out in the report</p>	
<p>Wards: All Wards Lead Member: Cabinet Member for Resources Corporate Priority: A transformed council, making best use of resources and with an outward looking culture</p>	
5 .18 Strategic Performance Monitoring 2017/18 Q1	239 - 256
<p>Report Summary: To note the Council's performance at the Q1 (April – June 17-18) for the strategic plan and measures.</p>	
<p>Wards: All Wards Lead Member: Mayor Corporate Priority: A transformed council, making best use of resources and with an outward looking culture</p>	
5 .19 Medium Term Financial Strategy 2018 - 2021	257 - 270
<p>Report Summary: This is a noting report that will provide Cabinet with an update on progress to date and plan for developing the MTFs for 2018 - 2021</p>	
<p>Wards: All Wards Lead Member: Cabinet Member for Resources Corporate Priority: A transformed council, making best use of resources and with an outward looking culture</p>	
5 .20 Mayor's Individual Executive Decisions – List of Recently Published Decisions	271 - 274
<p>Report Summary: To note recently published individual mayoral decisions.</p>	
<p>Wards: All Wards Lead Member: Mayor Corporate Priority: A transformed council, making best use of resources and with an outward looking culture</p>	
5 .21 Mayor's Executive Delegation Scheme - Update	275 - 284
<p>Report Summary: To note an update to the Mayor's Executive Scheme of Delegation.</p>	
<p>Wards: All Wards Lead Member: Mayor Corporate Priority: Creating opportunity by supporting aspiration and tackling poverty</p>	

6. ANY OTHER UNRESTRICTED BUSINESS CONSIDERED TO BE URGENT

7. EXCLUSION OF THE PRESS AND PUBLIC

In view of the contents of the remaining items on the agenda, the Committee is recommended to adopt the following motion:

“That, under the provisions of Section 100A of the Local Government Act, 1972 as amended by the Local 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)

The Exempt / Confidential (Pink) 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.

8. EXEMPT / CONFIDENTIAL MINUTES

Nil items.

9. OVERVIEW & SCRUTINY COMMITTEE

9.1 Chair's Advice of Key Issues or Questions in Relation to Exempt / Confidential Business

Chair of Overview and Scrutiny Committee (OSC) to report on any issues raised by the OSC in relation to exempt/confidential business to be considered.

9.2 Any Exempt / Confidential Decisions "Called in" by the Overview & Scrutiny Committee

(Under provisions of Article 6 Para 6.02 V of the Constitution).

10. EXEMPT / CONFIDENTIAL REPORTS FOR CONSIDERATION

Nil items.

11. ANY OTHER EXEMPT/ CONFIDENTIAL BUSINESS CONSIDERED TO BE URGENT

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Agenda Item 2

DECLARATIONS OF INTERESTS - NOTE FROM THE 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 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 Monitoring Officer following consideration by the Dispensations 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 Monitoring Officer of the interest for inclusion in the Register.

Further advice

For further advice please contact:-

Asmat Hussain, Corporate Director, Governance and Monitoring Officer. 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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CABINET, 25/07/2017

LONDON BOROUGH OF TOWER HAMLETS

MINUTES OF THE CABINET

HELD AT 5.32 P.M. ON TUESDAY, 25 JULY 2017

**C1, 1ST FLOOR, TOWN HALL, MULBERRY PLACE, 5 CLOVE CRESCENT,
LONDON, E14 2BG**

Members Present:

Mayor John Biggs	
Councillor Rachael Saunders	(Deputy Mayor and Cabinet Member for Health & Adult Services)
Councillor Amina Ali	(Cabinet Member for Environment)
Councillor Rachel Blake	(Cabinet Member for Strategic Development & Waste)
Councillor Asma Begum	(Cabinet Member for Community Safety)
Councillor David Edgar	(Cabinet Member for Resources)
Councillor Joshua Peck	(Cabinet Member for Work & Economic Growth)
Councillor Amy Whitelock Gibbs	(Cabinet Member for Education and Children's Services)

Other Councillors Present:

Councillor Peter Golds	(Leader of the Conservative Group)
Councillor Danny Hassell	

Apologies:

Councillor Sirajul Islam	(Statutory Deputy Mayor and Cabinet Member for Housing)
Councillor Abdul Mukit MBE	(Cabinet Member for Culture and Youth)

Officers Present:

John Coker	(Strategic Housing Manager, Place)
Clare Coombe	(Placement Officer)
David Courcoux	(Head of the Mayor's Office)
Adrian Gorst	(Divisional Director, IT)
Matthew Pullen	(Infrastructure Planning Manager)
Andy Scott	(Divisional Director, Growth & Economic Development)
Zena Cooke	(Corporate Director, Resources)
Debbie Jones	(Corporate Director, Children's)
Denise Radley	(Corporate Director, Health, Adults & Community)
Ann Sutcliffe	(Acting Corporate Director, Place)
Will Tuckley	(Chief Executive)
Sarah Williams	(Team Leader Social Care, Legal Services, Governance)
Matthew Mannion	(Committee Services Manager, Democratic Services, Governance)

1. APOLOGIES FOR ABSENCE

Apologies for absence were received on behalf of:

- Councillor Sirajul Islam (Statutory Deputy Mayor and Cabinet Member for Housing)
- Councillor Abdul Mukit (Cabinet Member for Culture and Youth)
- Councillor Denise Jones (Chair of the Overview and Scrutiny Committee) for whom Councillor Danny Hassell was deputising.
- Asmat Hussain (Corporate Director, Governance) for whom Sarah Williams (Team Leader Social Care, Legal Services) was deputising.

2. DECLARATIONS OF DISCLOSABLE PECUNIARY INTERESTS

There were no Declarations of Disclosable Pecuniary Interests.

3. UNRESTRICTED MINUTES

DECISION

1. That the unrestricted minutes of the Cabinet meeting held on Tuesday 27 June 2017 be approved and signed by the Mayor as a correct record of proceedings.

4. OVERVIEW & SCRUTINY COMMITTEE

4.1 Chair's Advice of Key Issues or Questions

Pre-Decision Scrutiny Questions were received in relation to the following Agenda Items:

- 5.1 Housing Capital Projects
- 5.5 Improvement and Transformation of Information Communications and Technology
- 5.6 Strategic Performance Monitoring – Q4 2016/17

The questions, and responses, were taken as part of the consideration of each item.

In addition Councillor Danny Hassell, Vice-Chair of the Overview and Scrutiny Committee, provided an update on their most recent meeting held the previous week. The meeting had discussed a number of issues, including:

- Agreeing appointments of Scrutiny Leads and Chairs of Scrutiny Sub-Committees.
- Emergency Planning and Civil Contingency – Members were reassured in respect of the thorough systems the Authority had in place but did ask that speed of communication with Members when incidents occurred be examined. Guidance and training for Members would also be useful.

- Scrutiny Spotlight on the Deputy Mayor and Cabinet Member for Housing, Councillor Sirajul Islam. This discussion covered a wide range of issues including; fire risk assessments, procedures for supporting victims of domestic violence, medical priority for housing needs and the housing registration process.
- Reviewing the Corporate Revenue and Capital Budget Outturn 2016/17 with the Cabinet Member for Resources, Councillor David Edgar and Neville Murton (Divisional Director, Finance, Procurement and Audit)
- A report back from the Scrutiny Challenge Session on Community Cohesion. The report contained six recommendations for action and following discussion the Committee agreed the report for submission.
- There had also been a verbal update from the Scrutiny Lead for Children's Services on the work of the Children's Improvement Board.

The **Mayor** thanked Councillor Danny Hassell for his update.

4.2 Any Unrestricted Decisions "Called in" by the Overview & Scrutiny Committee

Nil items.

5. UNRESTRICTED REPORTS FOR CONSIDERATION

5.1 Housing Capital Projects

The Pre-Decision Scrutiny Questions and responses were noted.

The Exempt Appendix was noted and agreed as exempt for the following reason as set out in the Appendix:

By virtue of paragraph 3 of Part 1 of Schedule 12A to the Local Government Act 1972 the information in this report is exempt as it relates to the financial or business affairs of any particular person (including the Authority holding that information).

Councillor Rachel Blake, Cabinet Member for Strategic Development and Waste, introduced the report. She stated that this was a giant step forward for the authority in ensuring the provision of properly affordable new housing. The report also set out plans for meaningful engagement with residents and stakeholders as the Council were looking to them to help shape the proposals.

During discussion of the item Councillor Peter Golds, Leader of the Conservative Group, addressed Cabinet. He reported that his group welcomed the report and looked forward to the scheme moving forward as soon as possible.

The **Mayor** thanked Members for their contributions and welcomed the report. He agreed that it was important to get the consultation process right. He **agreed** the recommendations as set out in the report.

RESOLVED

1. To note the approach to community consultation for schemes in the pipeline;
2. To approve the allocation of a capital budget of £3.30 million for feasibility and preliminary works for the schemes listed in the Housing Capital Pipeline Programme;
3. To authorise the Corporate Director, Place, after consultation with the Corporate Director, Governance, to agree to proceed to award contracts and enter into any agreements required to implement recommendation 2 if so required, subject to tenders being within the approved capital budgets and progress the Housing Capital Pipeline Programme.

5.2 IDF: Approval of S106 Funding to WorkPath Training

Councillor Joshua Peck, Cabinet Member for Work and Economic Development introduced the report. He explained that the report set out how S106 money would be spent on training for 1,100 residents in skills for specific vocational industries that were currently recruiting. The expectation was that around 80% would be able to move straight into employment. He also specifically highlighted the ESOL (English for Speakers of Other Languages) courses targeted those looking to work in particular industries.

The **Mayor** welcomed the report and thanked all for their work on this. He stated how important this work was in helping people to continue to live in the Borough as well as the health benefits to those involved. He **agreed** the recommendation as set out in the report.

RESOLVED

1. To approve the allocation of £530,244 of S106 funding to the WorkPath Training project as profiled in the PID attached at Appendix A, and in Table 1 of the report.

5.3 Council Tax Exemption for Care Leavers

Councillor David Edgar, Cabinet Member for Resources, introduced the report. He highlighted the difficult start in life experienced by many young care leavers and how recent research had suggested this small change for the Council could make a big difference to these young adults.

Councillor Amy Whitelock-Gibbs, Cabinet Member for Children's Services, also welcomed the proposal as a valuable change in demonstrating support to these young people.

The **Mayor** welcomed the report and the work of Members in supporting the Council's Corporate Parenting role. He **agreed** the recommendations as set out in the report.

RESOLVED

1. To agree to fund the Council Tax payable by care leavers taking up accommodation within the Borough and which would be administered through a local council tax discretionary discount scheme under Section 13A(1)(c) of Local Government Finance Act 1992
2. To agree to fund the balance of any Council Tax payable by care leavers taking up accommodation outside the Borough after application of any financial assistance to which they may be entitled under the Local Council Tax Support Scheme of the borough in which they reside.

5.4 Academy Conversions - Clara Grant Primary School and Stepney Green Mathematics and Computing College

Councillor Amy Whitelock-Gibbs, Cabinet Member for Education and Children's Services, introduced the report. She explained that there had been a lot of community discussion about the plans by these schools to convert to Academies but that the Council's role was restricted to agreeing the technical changes set out in this report. The Council had no power to block the decisions taken by the schools.

There was a general discussion during which local residents expressed concerns about the decisions and the way the consultation processes had been handled by the schools.

The **Mayor** expressed sympathy for the concerns of the residents but confirmed, following consultation with officers, that the Council had no powers in respect of reviewing the decisions of the schools. He confirmed that the Council would continue to work with these schools to ensure they remained part of the wider Borough community of schools. He **agreed** the recommendations set out in the report.

RESOLVED

1. To agree to the grant of a 125-year lease to the new academy trust for Clara Grant Primary School;
2. To agree to the grant of a 125-year lease to the new academy trust for Stepney Green Maths and Computing College;
3. To authorise the Corporate Director, Place, to agree final terms and conditions for the grant of the new leases for both schools;
4. To authorise the Corporate Director, Place, to agree final terms and conditions with Poplar Harca for the lease of the Clara Grant School nursery class accommodation and sub-lease to the academy trust;
5. To approve the Council to enter into commercial and staffing transfer agreements for both schools;

6. To approve the Council to enter into all other necessary documentation to ensure the liabilities under the PFI arrangements for both schools are transferred to the academies;
7. To authorise the Corporate Director, Children's Services, after consultation with the Corporate Director, Governance and the Corporate Director, Resources to enter into all other necessary agreements and do all that is necessary for the purposes of the conversion of the two schools;
8. To authorise the Corporate Director, Governance to execute all documentation required to implement the decisions;
9. To authorise the Corporate Director, Resources to execute the Local Government (Contract) Act 1997 Certificate required to implement the decisions

5.5 Improvement and Transformation of Information Communications and Technology

The Pre-Decision Scrutiny Questions and responses were noted.

Councillor David Edgar, Cabinet Member for Resources, introduced the report. He highlighted the importance of long term investment in the Council's ICT in ensuring good quality services for the public.

The **Mayor** agreed the recommendations as set out.

RESOLVED

1. To release up to £16.35m from the ICT Transformation Reserve to improve and transform ICT within the Council.
2. To delegate authority to the Corporate Director, Resources or their nominated officer, after consultation with the Cabinet Member Resources to approve expenditure against the £16.35m,
3. To note that progress on this improvement and investment programme will be reported to the Cabinet through existing performance monitoring and reporting.

5.6 Strategic Performance Monitoring - Q4 2016/17

The Pre-Decision Scrutiny Questions and responses were noted.

The **Mayor** introduced the report. He welcomed the performance improvements set out but also noted a number of challenging areas.

There was a general discussion around the Pre-Decision Scrutiny Questions during which it was noted that officers had been working on a new

performance management framework and it was important that it was clear why particular measures were being scored at particular levels.

The **Mayor** agreed the recommendations as set out.

RESOLVED

1. To note progress in delivering the Strategic Plan at the year-end, including those activities that are flagged as delayed and overdue (appendix 2 to the report); and
2. To note the performance of the strategic measures at year-end, including those measures where the minimum expectation has been missed (appendix 3 to the report);
3. To note those activities and measures that require improvement will be referred to the Performance Improvement Board and Overview and Scrutiny Committee where appropriate;
4. To note the targets that have been set for the strategic measures for 2017/18 (appendix 4 to the report).

5.7 Contracts Forward Plan 2017/18 Q2

Councillor David Edgar, Cabinet Member for Resources, introduced the report. He asked Members to highlight which contracts they would wish to receive reports on before they were concluded.

Members discussed the report and requested further information on the contracts relating to the Vehicle Fleet Procurement and Day Opportunities for Older People. In relation to other contracts Members welcomed the planned purchase of two further refuse trucks.

Subject to the changes above, the **Mayor agreed** the recommendations in the report.

RESOLVED

1. To note the contract summary at Appendix 1 to the report.
2. To request further information on the following contracts:
 - a. PL5244 – Vehicle Fleet Procurement – a report to be presented to Cabinet
 - b. AHS5016 – Day Opportunities for Older People – a briefing to be prepared for the Mayor's Advisory Board who may request a report be presented to Cabinet
3. To agree that the remaining contracts can proceed to contract award after tender.

4. To authorise the Divisional Director, Legal Services to execute all necessary contract documents in respect of the awards of contracts referred to at Recommendation 3 above.
5. To note the procurement forward plan 2017-2022 as set out in Appendix 2 to the report.

5.8 List of Individual Mayoral Decisions

The **Mayor** introduced the report and noted the Individual Mayoral Decisions set out.

RESOLVED

1. To note the Individual Mayoral Decisions set out in the Appendices to the report.

6. ANY OTHER UNRESTRICTED BUSINESS CONSIDERED TO BE URGENT

Nil items.

7. EXCLUSION OF THE PRESS AND PUBLIC

Nil items.

8. EXEMPT / CONFIDENTIAL MINUTES

Nil items.

9. OVERVIEW & SCRUTINY COMMITTEE

9.1 Chair's Advice of Key Issues or Questions in Relation to Exempt / Confidential Business

Nil items.

9.2 Any Exempt / Confidential Decisions "Called in" by the Overview & Scrutiny Committee

Nil items.

10. ANY OTHER EXEMPT/ CONFIDENTIAL BUSINESS CONSIDERED TO BE URGENT

Nil items.

The meeting ended at 6.59 p.m.

MAYOR JOHN BIGGS

<p>Cabinet</p> <p>19 September 2017</p>	 <p>TOWER HAMLETS</p>
<p>Report of: Denise Radley, Corporate Director Health, Adults and Community.</p>	<p>Classification: Unrestricted</p>
<p>Living Well in Tower Hamlets: the adult learning disability Strategy 2017 - 2020</p>	

Lead Member	Cllr Denise Jones, Cabinet Member for Health and Adults Services
Originating Officer(s)	Carrie Kilpatrick, Deputy Director Mental Health and Joint Commissioning
Wards affected	All
Key Decision?	No
Community Plan Theme	<p>The Strategy focuses on adults with learning disability across all four of the themes:</p> <ul style="list-style-type: none"> • A great place to live • A fair and prosperous community • A safe and cohesive community • A healthy and supportive community.

Executive Summary

The purpose of this report is to seek approval for the ‘Living Well in Tower Hamlets’ Strategy. The Strategy is attached. It aims to enable improvement in the outcomes that adults with learning disability in Tower Hamlets have identified are most important to them. These are

- Be happy and healthy
- Live locally
- Be part of the community and be involved in activities
- Work or volunteer
- Have choice and the right support
- Be respected and safe.

This report outlines the rationale, development, governance and implementation process for the new (and first) outcomes based adult learning disability Strategy. It notes the underpinning co-production development project. Accompanying documents are also noted in this report.

This is a joint Strategy with the CCG. It will be agreed by the Health and Wellbeing Board on 5 September and the CCG Governing Body on 6 September.

Recommendations:

The Mayor in Cabinet is recommended to:

1. Approve “Living Well in Tower Hamlets: the adult learning disability Strategy 2017 to 2020”

1. REASONS FOR THE DECISIONS

- 1.1 Tower Hamlets has an estimated 4,848 people aged 18 and over who have learning disability. They experience poorer life outcomes than the general population, including for physical health, mental health, employment and life expectancy. Learning disability is a protected characteristic. Following Winterbourne, there is a significant drive in national health and social care policy to improve outcomes for this group of people.
- 1.2 People have differing levels of disability and need. Many people are supported to live an ordinary life in the community by family and friends. Others require care and support from Council and NHS services to meet their needs. In March 2017, 961 people were registered with a GP in Tower Hamlets and identified as having learning disability; 882 people were known to the Community Learning Disability Service (CLDS).
- 1.3 There has not been a Tower Hamlets adult learning Strategy previously. There are a range of services, plans and initiatives underway in the borough and a commitment was made to develop an overarching Strategy, drawing these together within a coordinated framework that sets out ambitions and priorities for the next three years to 2020.
- 1.4 The Strategy sets out how the Health and Wellbeing Strategy priorities are to be implemented and achieved for adults with learning disability. It was developed through co-production with adults with learning disability, carers, professionals and local organisations. It sets out key actions and service priorities to improve outcomes adults with learning disability in the borough said were most important to them.

2. ALTERNATIVE OPTIONS

- 2.1 There are no alternative options, given that there has not been a Strategy previously. It is essential for the Council, the CCG and the Health and Wellbeing Board to have an adult learning disability Strategy in place. It has been discussed and requested by partners for some time.

3. DETAILS OF REPORT

- 3.1 **Strategy development.** The Strategy is attached to this report and is presented for approval. The Strategy is joint across the Council and CCG.

The scoping document was agreed by the Joint Commissioning Executive, Adult DMT and CCG Executive.

- 3.2 The Strategy was developed through a co-production process outlined in detail in the Background Information document. Consultation feedback from discussions and surveys in 2014-2016 was summarised and used to set a draft vision statement and key outcomes. Consultation between April and June 2017 focused on checking the vision and outcomes with people and seeking views on the best ways to support people to achieve improved outcomes. The consultation questions were developed and trialled then amended in partnership with several adults with learning disability. Views were obtained through a mix of methods; an online questionnaire, easy read hard copy questionnaire, discussions, workshops and individual interviews. In total, responses were received from 106 adults with learning disability, 48 carers, 7 carer support workers and 157 service staff and members of the public.
- 3.3 46 people with learning disability supported having live well as the vision; 43 favoured “living a full life”. All but two people agreed with the outcomes. Many comments were received about actions to support improved outcomes. Key themes were support from family and friends, living and participating in the community, having choice, improving communication, information and feedback from service staff and developing greater respect for people with learning disability across the community. These themes informed the draft Strategy. The draft was reviewed and amended at the Learning Disability Partnership Board meeting on 13 June; then sent out for comment by stakeholders and the public (including giving the web address in an article in Our East End in June). It was amended to reflect the comments received.
- 3.4 It was presented for comment, discussion and approval as follows:
- Adult Integrated Commissioning SMT on 1st June
 - Joint Commissioning Executive (JCE) 21 June
 - LBTH DMT 3 July
 - Health and Wellbeing Board (HWB) 4 July
 - CCG SMT 10 July
 - Learning Disability Partnership Board 17 July
 - LBTH CLT 19 July
 - JCE 19 July
 - Tower Hamlets Together Complex Adults Programme Board 20 July
 - Safeguarding Adults Board 20 July
 - MAB 8 August
 - HWB 5 September
 - CCG Governing Body 6 September
 - Cabinet 19 September.
- 3.5 The Strategy is accompanied by the following related additional documents which are available on request for information.
- a) An easy read Summary;

- b) A Background Information Document which describes why and how the outcomes were agreed;
- c) A Market Position Statement; and
- d) The Delivery Plan which details how the actions for each outcome will be implemented. It has a simple structure, focusing on how the actions in the Strategy will be progressed, by when, by who, resources required and their source and what the desired outcomes are.
- e) An outcomes measurement framework.

- 3.6 **Key points.** The Strategy priorities and actions were informed by comparative data taken from the Learning Disability Factsheet that is part of the Joint Strategic Needs Assessment and other recent local, regional and national data. Some key points are that:
- a. The number of people with learning disability in the population will increase in line with the overall population growth and because people are living longer.
 - b. Although people with learning disability are living longer, they do still have higher premature mortality with a lifespan that is 18 years shorter for women than the general population and 14 years for males.
 - c. The ethnicity breakdown of the learning disability population registered with GPs at end March 2017 showed 46% being Asian or Asian British with 41% of the total Tower Hamlets population estimated to be of that ethnicity.
 - d. An analysis of GP data in 2014 indicated greater prevalence of learning disability among males (3.5 and 2.4 for females) and greater prevalence among the most deprived quintiles of the population.
 - e. In Tower Hamlets, people with learning disability have higher obesity levels and lower breast cancer and cervical screening levels than nationally or the general population in Tower Hamlets.
 - f. Some 69% of adults with learning disability in Tower Hamlets live in their own home or with family, only just below the national average; however Tower Hamlets has significantly fewer people in supported accommodation in borough and more in residential accommodation out of borough than other areas.
 - g. A larger proportion of people receive day care than in other areas – which shows a good level of support is delivered here, but could also show that fewer people are supported to access flexible community provision.
 - h. Fewer people are in paid employment in Tower Hamlets than elsewhere; 5.3% compared to 7.5% in London and 6% across England.
 - i. Tower Hamlets has had no-one in an assessment and treatment unit in the last five years which is very positive compared to other areas and reflects good community support provision.

- 3.7 The Strategy sets out a holistic approach to improving outcomes. It is a partnership Strategy, encouraging local organisations, the Council, the NHS, private companies, the community and carers to work together with people with learning disability to implement the actions and improve outcomes. It reflects and promotes a rights based approach, acknowledging that people with learning disability have the right to be treated equally and to control their

lives; that they are supported to live an ordinary life in the community and that services have to make reasonable adjustments as disability is a protected characteristic. It acknowledges the need to develop, support and value staff in provider services as they play a key role in ensuring people have the right support. It recognises the vital importance of supporting carers. It sets out the key focus for change and improvement in the support the Council and NHS have responsibility for. These include personalised assessment, care planning and provision of support for care, accommodation, day opportunities and employment for those with the most needs. The actions are limited to be achievable and reflective of the existing limited resource. There is an emphasis on the need to promote independence, community support, inclusion within mainstream services and different, joined up ways of working.

- 3.8 **Governance.** The Strategy development and implementation is being overseen by the Learning Disability Partnership Board (LDPB), which will report annually to the Health and Wellbeing Board as outlined in the final section of the Strategy. A simple highlight report will be developed to support these reporting arrangements.
- 3.9 The membership of the LDPB consists of adults with learning disability, carers, provider representatives and Local Authority and CCG officers. The Corporate Director Adults, Health and Community Wellbeing is the sponsor. The Co-Chairs are a person with learning disability who will be elected for a period and Carrie Kilpatrick. The first meeting was 13 June. Bi-monthly meetings for a year have been set.
- 3.10 Subgroups will be responsible for delivering the actions for each outcome as set out in the Delivery Plan. Progress will be reported regularly to the LDPB and annually to the Health and Wellbeing Board. Groups are as follows:
- Health – this is established and meets regularly.
 - Accommodation – this is established and meets regularly.
 - Meaningful activities – covering the “be part of the community and involved in local activities” and “working and volunteering” outcomes from 14 years onwards, which will be initiated by autumn 2017.
 - Choice and the right support – to be initiated by autumn 2017.
 - Respected and safe – the actions will be undertaken by the Safeguarding Adults Board, Community Safety Partnership and LDPB subgroups.
 - Transforming Care – all outcomes apply to this subset of the adult learning disability population. There is a local workplan reflecting the Inner North East London plan which will be championed locally by the choice and right support group. The actions are spread across several LDPB subgroups.
- 3.11 **Co-production development.** A new project is being implemented to ensure a co-production culture is developed and embedded within all aspects of Strategy implementation and continuing strategic and service planning, commissioning and delivery. It has two complementary elements. The Local

Authority resource is for identifying, training and supporting people with learning disability to be involved in all aspects of strategic planning and development. This is being delivered by PowHER/HIVE. The CCG quality improvement resource is for a health quality checker scheme (delivered by ExpecttheBest) whereby people with learning disability are trained and supported to visit and check services such as GPs, A&E and dentists against a set of standards which are being nationally developed.

- 3.12 **Finance.** The Strategy is based on agreed Council and CCG budgets and many of the improvement actions promote different ways of working rather than relying on additional resource. The Strategy takes into account the required actions and savings as outlined in three Council business cases (ADU003, ADU007 and ADU008 - approved in February 2017).

4. COMMENTS OF THE CHIEF FINANCE OFFICER

- 4.1 The Adult Learning Disability Strategy, supporting action plan and market position statement will need to be within the Council's medium term financial strategy (MTFS) and the CCG's financial plan budgets.
- 4.2 The HAC Directorates 2017-18 budget for Learning Disability Services is £19.995m. This is based on the month 3 budget of £20.644m adjusted for savings of £1.493m and demographic growth of £0.844m. This budget allocation does not include any potential future budget growth from drawdown on the corporately held budget for the implementation of the Ethical Care Charter and the provider inflation award.
- 4.3 The Council and the CCG are currently in the process of agreeing the three-year financial envelope available to develop and deliver this strategy. Once agreed the strategy will be delivered within the funding available.

5. LEGAL COMMENTS

- 5.1 The Strategy is informed by the Joint Strategic Needs Assessment. The updated information collected as part of the process will inform the next iteration of the Learning Disability Factsheet that accompanies the JSNA.
- 5.2 The Disability Discrimination Act (2005) and the Equality Act (2010) state that people with learning disabilities must be supported to live an ordinary life in the community in line with human rights legislation and that the public sector has a duty to advance equality of opportunity and foster good relations between persons who have a protected characteristic (which learning disability is) and those who do not. The Strategy will help demonstrate how the Local Authority and CCG are fulfilling those requirements for adults with learning disability.
- 5.3 Other key policies relevant to adult learning disability are as follows. Their requirements and implications are reflected in the Strategy.

- a) Valuing People: A New Strategy for Learning Disability for the 21st Century (2001), and subsequent strategies, Valuing People Now (2009) and Valuing Employment Now (2009). These focused on promoting and delivering advocacy, employment support, person-centred planning, care coordination and partnership working to improve the lives of people with learning disabilities. They reflected the themes in the Putting People First suite of documents about transforming wider adult social care provision which also emphasised better information, better quality of service, more emphasis on prevention and personalised provision with more choice and control for people themselves.
- b) Transforming Care: A national response to Winterbourne View Hospital (2012) and the accompanying Winterbourne View Review: Concordat: A Programme of Action (2012) set out to transform services for people with learning disabilities or autism and mental health conditions or behaviours described as challenging. This included a programme of action to ensure that vulnerable people no longer live inappropriately in hospitals and are cared for in line with best practice, including consideration of supported living options. It highlighted the need for families to be centrally involved in discussions and decisions about care arrangements.
- c) The Care Act 2014 legally requires local authorities with social services responsibilities to assess the care needs of any person who appears to be in need of care and support and decide whether services should be provided to that person. The guiding principles are to:
- focus on people’s wellbeing and support them to stay independent for as long as possible;
 - introduce greater national consistency in access to care and support;
 - provide better information to help people make choices about their care;
 - give people more control over their care;
 - improve support for carers;
 - improve the quality of care and support;
 - improve integration of different services; and
 - strengthen the transition process.
- d) In Building the Right Support (2015), a clear national plan and new service model were set out to develop community services for adults with learning disability or autism and mental health conditions or challenging behaviour. The accompanying document , Transforming Care for people with learning disabilities – next steps (2015), set out a programme of work to be led by cross borough Transforming Care Partnerships which were to support discharge and prevent admission through holding Care and Treatment

Reviews for individuals at risk, providing more personalised community support and developing the workforce.

- 5.4 The themes running through all these policies and the whole national policy and legal framework emphasise the importance of providing quality services in response to individual need, which promote independence, choice and control, and also achieve effective use of resources. These themes have informed the development of this Strategy.
- 5.5 The Council is required when exercising its functions to comply with the duty set out in section 149 of the Equality Act 2010, namely to have due regard to the need to eliminate unlawful discrimination, advance equality of opportunity between those who share a protected characteristic and those who do not, and foster good relations between those who share a protected characteristic and those who do not. Information relevant to meeting this duty is set out in the One Tower Hamlets Considerations Section of the report below.

6. ONE TOWER HAMLETS CONSIDERATIONS

- 6.1 The strategy details commitments to improve outcomes and support for adults with learning disability (a protected characteristic), including:
- Improving access to mainstream services for adults with learning disability
 - Developing the awareness and understanding of children and young people, the community as a whole, and mainstream services about adult learning disability so there is better communication, involvement, understanding and respect.
- 6.2 The Equality Analysis Quality Assurance checklist was completed in June 2017. It identified that the Strategy did not appear to have any adverse effects on people who share *Protected Characteristics* and no further actions were recommended at this stage.

7. BEST VALUE (BV) IMPLICATIONS

- 7.1 The Strategy and the associated Market Position Statement promote collaboration and co-ordination between local organisations; an improved response from mainstream organisations and reflect Local Authority business cases for savings through plans to ensure more effective use of available resources. The emphasis on promoting healthy living, early and preventative intervention and increased use of community services will also help reduce the need for more expensive specialist services further down the line.

8. SUSTAINABLE ACTION FOR A GREENER ENVIRONMENT

- 8.1 The Strategy details no specific commitments. However, through promoting travel training so more people are able to and feel safe to use public transport

rather than Council or community transport and by bringing people from out of borough placements back into borough, it will help promote sustainability.

9. RISK MANAGEMENT IMPLICATIONS

- 9.1 The Strategy details commitments to improve outcomes and support for adults with learning disability, ensuring that the duty of both the Council and the CCG to provide support for this group is delivered safely and effectively.

10. CRIME AND DISORDER REDUCTION IMPLICATIONS

- 10.1 Actions to achieve the “be respected and safe” outcome and the associated action plan will help contribute to the reduction of crime and disorder.

11. SAFEGUARDING IMPLICATIONS

- 11.1 Being respected and safe is one of the outcomes and a number of actions are identified to improve the outcomes. The responsibility for completion of the actions will be shared by the LDPB, the Safeguarding Adults Board and the Community Safety Partnership.
-

Linked Reports, Appendices and Background Documents

Linked Reports

- Easy Read Summary of Living Well in Tower Hamlets: the adult learning disability Strategy.
- Background Information Document – Living Well in Tower Hamlets: the adult learning disability Strategy.
- Equality Analysis Quality Assurance - Living Well in Tower Hamlets: the adult learning disability Strategy.
- Tower Hamlets Market Position Statement –adult learning disability.

Appendices

- a) Living Well in Tower Hamlets: the adult learning disability Strategy 2017 to 2020


Local Government Act, 1972 Section 100D (As amended) List of “Background Papers” used in the preparation of this report

The Learning Disabilities Factsheet 2015 that is part of the Tower Hamlets Joint Strategic Needs Assessment suite of documents.

Officer contact details for documents:

Carrie Kilpatrick, carrie.kilpatrick@nhs.net; phone 0203 688 2524

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<p>Cabinet</p> <p>19 September, 2017</p>	
<p>Report of: Denise Radley, Corporate Director, Health, Adults and Community</p>	<p>Classification: Unrestricted</p>
<p>Proposal for Mayoral Growth Funding - Additional Police Officers for Neighbourhoods</p>	

Lead Member	Councillor Asma Begum, Cabinet Member for Community Safety
Originating Officer(s)	Ann Corbett Divisional Director, Community Safety
Wards affected	All wards
Key Decision?	Yes
Community Plan Theme	A safe and cohesive community

Executive Summary

- 1.1. This paper sets out an option for investing (£1m p.a. for three years) in additional police officers through the Met Patrol Plus Scheme. This investment aims to address community concerns relating to community safety, including acid attacks and “future proof” the Borough against the cumulative impacts of savings from the Metropolitan Police. Crime, particularly violent crime and anti-social behaviour (ASB) continue to be a primary concern for the Mayor, Councillors and residents in the Borough. Tackling crime and ASB is one of the Mayor’s key priorities. The Borough has the highest volume of ASB (101 and 999) calls across London boroughs and some forms of violent crime incidents (e.g. domestic abuse and knife crime) are unacceptably high. The Borough also receives the highest number of drugs and alcohol related ASB and crime complaints in comparison to similar east London boroughs. In 2015/16, the Borough had c16,000 drugs and alcohol related ASB reports compared to the next highest borough (Newham) which had c10,000

- 1.2. The Tower Hamlets Council Strategic Plan 2016-19 identifies ‘People feel safe and places have less crime and ASB’ as one of the desired outcomes. It will be achieved only when all the partners work together with sufficient resources. The Police resources in London and the Borough, however, will continue decreasing due to the impact of ongoing austerity. The Metropolitan Police are required to make an additional £400m savings through “One Met Model 2020” which includes a proposal of multi-borough Basic Command Units. The Police’s new draft Public Access and Engagement Strategy indicates a shift from the use of public-facing counters towards online reporting of crime.

- 1.3. An action to “future proof” the Borough against the possible adverse impact of further police savings is required and to offset the risks of an increasingly challenging community safety environment. The investment will help the Council and the Community Safety Partnership deliver on their priorities, protect real neighbourhood policing, undertake crime prevention activities, provide opportunities to design out crime and put in place protective security measures to strengthen resilience to terrorist attack.

Recommendations:

The Mayor in Cabinet is recommended to:

1. Agree and approve the recommended option of the £1 million p.a. for three years funding (as set out in 3.9 of this report) in additional police officers in the borough under Section 92 of the Police Act 1996 (Grant from a Local Authority) with the Mayor’s Office for Policing and Crime (MOPAC) using the Met Patrol Plus Scheme. This option proposes additional officers to support neighbourhood policing and aligns with the Council’s commitment to neighbourhood management.
2. Agree to fund the additional costs of this measure from its General Fund reserves in 2017/18 and identify this as a funding pressure within the refresh of its MTFs for 2018-2021.
3. Authorise the corporate Director Health , Adults and Community to execute the necessary agreement with the MOPAC and Tower Hamlets Police.
4. Authorise the corporate Director Health , Adults and Community any named officer nominated by her to develop a robust performance management framework for evaluating impact through Key Performance Indicators, to ensure value for money in line with the Council’s approach to outcome-based budgeting.

1. REASONS FOR THE DECISIONS

- 1.1 The decision is required in order to enable invest £1 million p.a. for three years from 2017-18 in additional police officers in the Borough using the Met Patrol Plus Scheme. £1 million p.a. includes the costs of the existing 6 police officers that have been in place under the ongoing three year agreement between the Council and the Police (until December 2018). The additional police officers will help deliver on local priorities, protect real neighbourhood policing, address community concerns relating to acid attacks and other crime and anti-social behaviour (e.g. gangs, drugs, knife crime and prostitution), improve Tower Hamlets performance and “future proof” the Borough against the cumulative impacts of further savings. This will be achieved through use of the Council’s reserves.

2. ALTERNATIVE OPTIONS

- 2.1 The Mayor in Cabinet may decide not to fund additional police officers as recommended in this report. This may result in priorities of the Council's Strategic Plan not being achieved. Alternatively, the Mayor in Cabinet could choose another option from the list of considered options (Appendix A).

3. DETAILS OF REPORT

Current Council Funded Partnership Task Force (PTF)

- 3.1 The Council currently has a three year agreement under Section 92 of the Police Act 1996 (Grant from a Local Authority) with the Mayor's Office for Policing and Crime (MOPAC) using the Met Patrol Plus Scheme to fund a team of 6 police officers. The MOPAC approved Met Patrol Plus Scheme provides a free Police Constable for every officer purchased through a grant from the authority. The team, known as the Partnership Task Force (PTF) is made of 1 Sergeant and 5 Police Constables. The current PTF started with the Borough on 17 December 2015 and the arrangement will end on 16 December 2018.

- 3.2 Below is the Council's current agreement with MOPAC:

- The Council provide MOPAC with a grant for the supply of 1 funded police sergeant and 2 funded police constables per annum for 3 years. In addition MOPAC provided 3 constables at no charge making it a team of 6.

Officer	Cost	Number	Total
Sergeant	£76,000	1	£76,000
Police Constable	£65,000	2	£130,000
Free Police Constable	Free	3	Free
Total	-	6	£206,000

- The Table below shows that the grant is £206,000 in Year 1, £210,000 in Year 2 and £211,000 in Year 3. This includes the expected increase in salaries as provided by MPS based on inflation.

	2015/16	2016/17	2017/18*	2018/19*
PC x 2	£130,000.00	£132,000.00	£132,000.00	£134,000.00
PS x 1	£76,000.00	£78,000.00	£79,000.00	£80,000.00
Total	£206,000.00	£210,000.00	£211,000.00	£214,000.00

- Under the current agreement, the Council does not pay for police overtime or vehicles.
- 3.3 The PTF, a team of 6 officers, carries out a series of operations that require collaborative partnership working, including tackling drug related offending. In

2016/17, they have undertaken 185 joint visits with Tower Hamlets Enforcement Officers (THEOs), tackling anti-social behaviour (ASB) by working with the existing police neighbourhood teams and supporting the work of the drug intervention programme. Alignment with partnership activities and priorities is achieved via an operational partnership meeting which is responsible for deploying the PTF and THEOs. This operational tasking is being reviewed to ensure that the Council is achieving value for money in its current investment.

- 3.4 In 2016/17, the current PTF have made 155 arrests for a range of offences including supply of drugs and sexual offences. In the same year, they conducted 387 stop and searches, 2,592 stop and accounts and have conducted weapons sweeps in areas of concern, particularly related to gang activity recovering knives, arms, quantities of drugs and money. The Team participate in engagement events and initiatives and joint patrols with the Council's Drug Intervention Programme outreach (prostitution programme). Their dedicated activity on tackling vice has resulted in 10 arrests for public decency offences, 17 warnings to suspected kerb crawlers and 82 interactions with women for either loitering or engaging in sexual activity in public places with subsequent referrals to the prostitution exit scheme.
- 3.5 The performance review of the Partnership Task Force for 2016/17 has made three recommendations:
- 1) The team should focus on ASB as a priority.
 - 2) Consider extending the number of officers to tackle ASB and
 - 3) Provide greater visibility, aligning the team with THEOs once the expected enforcement review in the Council's Place Directorate is complete, ensuring operational tasking activities are properly evidence based and supported by feedback from residents and businesses.
- 3.6 The Council has committed to funding for 14 new police officers to tackle crime and ASB on the Tower Hamlets Homes estates. The new officers will have a particular focus on drug dealing and drug misuse. The new police officers will be in place later this year. There is a need for all these operational resources (council & police) to work in collaboration through robust operational deployments and intelligence led tasking.

Rationale for additional police officers

- 3.7 Whilst the current small team of PTF officers, working with partners, has been instrumental in tackling ASB and drugs, their capacity is limited. As the data (Appendix B) shows, nationally crime is on the increase and in the borough, with some forms of violent crime in London also showing an increasing trend e.g. knife crime, sexual offences, domestic abuse. Increasing the number of neighbourhood police officers will increase the capacity to deliver on the priorities set out in the draft Community Safety Partnership (CSP) Plan 2017-21 and the ASB: A Blueprint for Local Action in Tower Hamlets (ASB Blueprint). It will also provide for additional opportunities to deliver on the

Council's commitment to neighbourhood management and geographical service delivery.

- 3.8 Additional police officers will help strengthen real neighbourhood policing at the community level, increasing visibility and tackling those issues that matter most to our residents. Expanding the capacity of the existing team of police officers will help tackle a wider range of issues, including violent crime and the use of offensive weapons like knives and acid/corrosive substance. It is proposed that investment in additional police officers will, therefore, "future proof" the borough against the cumulative impact of savings proposed as part of the One Met Model 2020 and the draft Public Access and Engagement Strategy.
- 3.9 Crime has been one of the most pressed residents' concerns. The Council's Annual Residents Survey 2017 shows that 31% respondents identified that crime is still one of top personal concerns. Consultation with our residents, which took place in the summer of 2016, identified their top priorities for the Community Safety Plan 2017-21 were: 1) drug and alcohol abuse, 2) ASB and 3) gangs.

Recommended option

3.10 Below is the recommended option for additional police officers with its costs:

Items	Number	Costs of the first year
Sergeant (PS)	4	£852k (including existing Partnership Task Force officers/contract expiring Dec 2018)
Police Constables (PC)	20	
Crime Prevention Design Advisor	1	£60k
Suitable vehicle cost	-	£86k (first year. This will decrease in subsequent years)
Total		£998k (first year)

As the table above indicates, an unmarked Police Vehicle with covert blue lights and sirens (a Q car) is required due to additional pressures on vehicle fleet. This type of vehicle is ideally suited to plain clothes proactive patrolling and tackling drug dealers in vehicles. The first year's costs (£998k) will decrease by approximately £74k due to lower vehicle costs in subsequent years. The police advise that additional £5k-10k will be required as overtime contingency per year.

- 3.11 This option is considered the most cost effective one among the seven considered options and it also aligns to the Council's commitment to neighbourhood management as set out the ASB Blueprint for Action agreed by Cabinet in June 2017. Details of all options are set out in Appendix A.

Outcomes that the additional investment in neighbourhood police officers will deliver

3.12 The additional police officers will continue focusing on tackling ASB and will be aligned with the Community Safety Partnership and Council priorities, in particular, priority A (ASB including drugs and alcohol) and B (Violence) of the CSP Plan 2017-21 and the ASB Blueprint. Additional police officers will also be tasked to hotspot crime areas, which are aligned with Priorities B and D (Reducing re-offending – focus includes gangs and youth violence) of the Community Safety Plan. The additional investment will deliver the following outcomes:

- Residents will be reassured and victims' satisfaction level will improve
- Visibility of neighbourhood police will improve
- Concerns about crime and ASB will have reduced in the residents surveys.
- Perpetrators will be brought to justices.
- Criminal justice outcomes will improve and those individuals committing drug/alcohol related crime and/or ASB will be required to address their substance misuse issues via the proactive use of criminal or civil orders.
- Joint partnership operations that deliver positive outcomes for residents and improve perceptions and feelings of safety
- ASB, drug related incidents and drug dealings will decrease
- Communications between residents and the partners will improve.

The proposal will:

- Reinforce the neighbourhood policing model to mitigate and manage crime and ASB as a key Mayoral priority and protect front line policing resources in TH.
- Support the Council's commitment to real neighbourhood policing and neighbourhood management.
- Provide a ring-fenced resource for the Borough which cannot be abstracted and will be locally operationally tasked on issues that matter to residents through the Partnership Tasking/Operations Group.
- Provide additional police vehicle to allow the considerably increased number of council funded police officers to conduct their day to day business responding to partnership tasked Council priorities.
- Provide opportunities for co-location with Council enforcement officers and statutory partners for greater synergy, improved efficiency, reduction in duplication and savings delivery through Neighbourhood Management.
- The Team will have a focus on delivering the neighbourhood priorities that are critical to the Borough and will be tasked accordingly via the fortnightly Partnership Tasking/Operations Group.
- Provide a highly visible commitment and resource to the community, along with the additional policing resource also being purchased through Tower Hamlets Homes.
- The proposals are based on purchasing constables and a sergeant with oversight from an existing police Inspector. This will strengthen the existing police team and therefore, retain the local knowledge and relationships that have been developed with partners and the community.

- Provide a specialist seconded Crime Prevention Design Advisor (CPDA). This activity will contribute to prevention and demand management with understanding of Environmental design and assessment. CPDA will be of significant benefit to the Borough in light of tasking, prevention, planning and problem-solving in the context of the Borough where significant population growth and demand is increasing around crime and ASB. This activity will also contribute to borough resilience and in particular will provide expert advice on street scene and protecting the borough from terrorist attacks.
- Provide environmental design (e.g. street lighting, CCTV, communal green spaces/shrubbery to design out crime.

Timeline

3.13 The Tower Hamlets Police provided the following indicative timetable:

Timeline	Implementation
8-10 weeks from the Section 92 agreement signed	First unit (1 PS and 5PCs) in place in addition to the existing team
10-12 weeks from the agreement signed (4 weeks from the first unit in place)	Second unit (1 PS and 5PCs) in place
14-16 weeks from the agreement signed (4 weeks from the second unit in place)	Third unit (1 PS and 5PCs) in place

4. COMMENTS OF THE CHIEF FINANCE OFFICER

- 4.1 This report seeks approval to fund the recommended option of investment in 4 Police Task Force teams in the borough through a Section 92 agreement of the Police Act 1996. The Council currently funds a single team made up of one sergeant and 2 police constables with 3 constables provided at no charge. However no further resources have been included as part of the Council's latest MTFS 2017 – 2020.
- 4.2 A number of options are set out in Appendix A that details a range of investment opportunities from £500,000, £1m and £2m per annum. In each of the options there is consideration of the different allocations of police teams that could be purchased through the scheme.
- 4.3 In addition the options include the secondment of a Crime Prevention Design Advisor £60,000, vehicle costs, and overtime provision contingency. These additional costs have not been included in any previous agreements and the report sets out in 3.10 (Proposed Option) the benefits from that approach.
- 4.4 In respect of the vehicle costs set out in this report there is a need to ensure that, as the S92 agreement is developed, the type of costs that are proposed to be funded are clear in order to establish whether they are capital or revenue in nature and whether the council will have ownership of the asset(s).
- 4.5 The proposals in this report will deliver 4 teams that will support the Neighbour Policing objectives, each team consisting of 1 sergeant and 5

police constables. In addition to the police teams the agreement will now include the Crime Prevention Design Advisor secondment, vehicle costs and an overtime contingency provision. There is currently budget provision of £213,000 that supports the existing s92 agreement due to end in December 2018, the agreement will need to be extended to coincide with the new proposed s92 agreements, once agreed. The Year 1 costs are expected to be £885,000 followed by £721,000 for both Years 2 and 3. This leaves a funding gap of just over £2.3m over the period to support the scheme.

- 4.6 The costs of the proposed options are set out in the report together with historic performance data (appendix B) Given the Council's approach to Outcomes Based Budgeting it is important that the outcomes set out in 3.12 are sufficiently clear to enable members to understand what benefits can be expected and provide a framework for evaluating the impact of these teams on key performance indicators; this is essential to establishing whether the proposal is value for money.

5. LEGAL COMMENTS

- 5.1 On 22nd February 2017 Council agreed the General Fund Capital and Revenue Budgets and Medium Term Financial Plan 2017-20. This is in accordance with the Council's Budget and Policy Framework. Once the Budget has been agreed then it is the responsibility of the Mayor, the Executive and officers to implement it.
- 5.2 The Mayor, Executive, Committees of the Executive and any officer may only take decisions which are in line with the budget. If a decision which is contrary to or not wholly in accordance with the budget approved by Council, then that decision may only be taken by Council.
- 5.3 Section 92(2) of the Police Act 1996 provides that The council of a London borough, county, district or parish which falls wholly or partly within the metropolitan police district may make grants to the Mayor's Office for Police purposes. .
- 5.4 Whilst there is no strict legal definition of grant, a grant is in the nature of a gift and is based in trust law. However, grants are often given for a purpose so it is sometimes unclear whether a grant has been made or the arrangement is a contract for services.
- 5.5 There will be many grants which are made by the Council for the purpose of discharging one of its statutory duties. However, as a grant is in the nature of a gift, it is considered there must be some element of discretion on the part of the Council as grantor as to whom a grant is made to and whether this is made. If the Council is under a legal duty to provide a payment to a specific individual or organisation, and cannot lawfully elect not to make such a payment, then that should not amount to a grant.

- 5.6 In this case, the Council is not under a legal duty to make the payments and as the payment is discretionary, it is therefore a grant and as this is a grant then pursuant to the Mayor's Executive Scheme of Delegation the Mayor has delegated decisions in relation to grants to the Grants Determination Sub-Committee. However, pursuant to paragraph 6.3 of Rule 3 of the Executive Procedure Rules, the delegation to the Grants Determination Sub-Committee is subject to the Mayor's prerogative to make decisions on all matters relating to all his statutory powers. The Mayor can therefore make the decision in cabinet notwithstanding the delegation to the Grants Determination Sub-Committee. The reason for the exercise of this prerogative by the Mayor should be stated in cabinet r and a report submitted to the next Grants Determination Sub-Committee for their noting.
- 5.7 Section 92(3) of the 1996 Act provides that Grants under this section may be made unconditionally or, with the agreement of the chief officer of police for the police area concerned, subject to conditions. It is noted that the grant will be subject to an agreement.
- 5.8 When considering whether to approve the grant, consideration should be given to the arrangements in place to ensure that the power that is exercised is consistent with its best value arrangements. The Council is obliged as a best value authority under section 3 of the Local Government Act 1999 to "make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness" (the Best Value Duty). Paragraph 7 below considers this in further detail.
- 5.9 When implementing the scheme, the Council must ensure that no part of the funds issued represents a profit element to any of the recipients. The inclusion of profit or the opportunity of making a profit from the grant or third parties indicates that the grant is really procurement activity and would otherwise be subject to the Council's Procurement Procedures and other appropriate domestic and European law. This would mean therefore, that the Council would have failed to abide by the appropriate internal procedures and external law applicable to such purchases.
- 5.10 When making grants decisions, 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). A proportionate level of equality analysis is required to discharge the duty and information relevant to this is contained in the One Tower Hamlets section of the report.

6. ONE TOWER HAMLETS CONSIDERATIONS

Although the direction of travel on ASB volume shows a downward trend the Borough remains at the top of rankings for the highest volume of ASB calls in London, knife crime incidents and gang flagged offences across a number of London boroughs (including Tower Hamlets) are on the increase. The 2017

Annual Residents Survey shows that crime remains one of residents' top concerns. The outcomes by this proposal will help all communities in the Borough feel safer and will improve community cohesion.

7. BEST VALUE (BV) IMPLICATIONS

- 7.1 The Metropolitan Police are the only organisation that can provide this service for the Borough. The performance of additional police officers will continue being contract managed closely and they will be deployed efficiently using a reviewed operational deployment mechanism in partnership with Tower Hamlets Homes.

8. SUSTAINABLE ACTION FOR A GREENER ENVIRONMENT

- 8.1 There are no direct sustainable environment actions or environmental implications from the proposals in this report.

9. RISK MANAGEMENT IMPLICATIONS

- 9.1 The performance of additional police officers will continue to be contract managed and activity monitored closely and they will be deployed efficiently using the existing tasking mechanism. The existing tasking mechanism and contract management arrangements will require ensuring the Council achieves value for money for its investment.
- 9.2 This proposal will help reduce the Council's reputational risks. It aims to address community concerns relating to community safety in the Borough which has the highest volume of ASB (101 and 999) calls across London boroughs and some forms of violent crime incidents. Action to tackle these problems will reassure the residents.

10. CRIME AND DISORDER REDUCTION IMPLICATIONS

- 10.1 This is to reduce and prevent crime and disorder in the Borough and provides for beneficial consequences in line with the requirements of the Crime and Disorder Act 1998.

11. SAFEGUARDING IMPLICATIONS

- 11.1 The investment in additional police officers will provide beneficial consequences for safeguarding ensuring that vulnerable adults and children who are risk of becoming victims of crime are safeguarded from harm.

Linked Reports, Appendices and Background Documents

Linked Report

- Tower Hamlets Community Safety Partnership Plan 2017-2021
- Anti-Social Behaviour (ASB): A Blueprint for local action in Tower Hamlets (including its Equality Analysis).

Appendices

- Appendix A: Considered options
- Appendix B: Current crime data & performance

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

- List any background documents not already in the public domain including officer contact information.
- These must be sent to Democratic Services with the report
- State NONE if none.

Officer contact details for documents:

N/A

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<p>Cabinet</p> <p>19 September 2017</p>	 <p>TOWER HAMLETS</p>
<p>Report of: Ann Sutcliffe, Acting Corporate Director, Place</p>	<p>Classification: Unrestricted</p>
<p>Electric Vehicle Charging Point Delivery Plan</p>	

Lead Member	Councillor Amina Ali, Cabinet Member for Environment
Originating Officer(s)	Margaret Cooper, Head of Engineering
Wards affected	All wards
Key Decision?	Yes
Community Plan Theme	A Great Place to Live

Executive Summary

- 1.1 The Council's Draft Air Quality Management Plan and Mayor for London's Transport Strategy have identified the introduction of cleaner vehicles as a priority and this strategy has been developed to inform and direct action towards delivery of that objective over the next 8 years.
- 1.2 The draft strategy for rolling out the introduction of Electric Vehicle Charging Points is attached to this report and includes an Action Plan for delivery. The approval of a detailed policy with clear targets at this time will tie in with forward planning for funding bids to take forward such work as well as enabling work to proceed in the current financial year to deliver the first on-street charging points in the borough.

Recommendations:

The Mayor in Cabinet is recommended to:

1. Approve the Electric Vehicle Charging Point Delivery Plan and targets for delivery by 2025.
2. Authorise the Corporate Director Place to enter into service level agreements and utilise the GULCS framework contract for the delivery of on-street charging points throughout the borough;
3. Approve the adoption of an additional capital estimate of £36,000 for the delivery of charging points in the current financial year;

4. Instruct the Corporate Director Place, with the Head of Communications, to publicise this strategy and invite residents to express an interest in utilising these charging points in the future.

1. REASONS FOR THE DECISIONS

- 1.1 This decision is required in order that work can proceed to deliver on policies set out in the Mayor for London's Transport Strategy and the final Air Quality Management Action Plan.

2. ALTERNATIVE OPTIONS

- 2.1 Refusal to install electric vehicle charging points on street: this would fail to comply with London-wide Air Quality and Transport Policy and result in difficulties for the growing number of electric vehicle drivers being able to charge their vehicles locally. This could have particularly severe impacts on local taxi drivers and the taxi service and would not help to improve air quality.
- 2.2 Reduce the speed of delivery: current changes in the market and emissions legislation suggests that demand is likely to grow more quickly than predicted and slowing delivery would have similar impacts to refusing to deliver any points.
- 2.3 Limit supply to free-standing units with no streetlighting column adaptations: Free-standing units all require designated bays which would have a significant impact on parking supply in areas of critical parking stress.
- 2.4 Limit supply to slow-charge units in residential streets with no prioritisation of space for electric vehicles: this would not have an impact on general parking availability but would not assist those vehicles needing to charge quickly for business or as passing traffic.
- 2.5 The recommended option is to provide a mix of types of supply to work towards meeting a variety of market demands.

3. DETAILS OF REPORT

- 3.1 The main strands the strategy explores are:-
 - Current EV ownership levels across the borough and likely growth in demand.
 - How the borough can work with partners e.g. Poplar HARCA, Source London, and Transport for London.
 - The tie in with the Council's own policies, LEN partnership, Go Ultra Low City measures and TfL best practice
 - Ensuring Tower Hamlets specific issues are considered, including pressures on kerbside space.

- The types of charging offer across the market and how this can be introduced to Tower Hamlets including the residential parking model overlap with expansion of standard floor mounted columns.
- Develop a mixed charging offer where appropriate that takes in to account different needs
- What criteria will be used to determine where points should be considered
- Considering innovations
- What else the Council can do to drive adoption of EVs

3.2 The outcome of the strategy will be to:-

- Set out a framework that will encourage the uptake of EVs within Tower Hamlets through the introduction of a robust EVCP network
- Realistic targets for LBTH to aim to raise the number of EV percentage of the fleet by 2020;
- To prepare for a future with high demand for EV charging infrastructure in residential areas it is important to trial new technologies which could be rolled out in the future including trialling residential charging (Lamp column) as a quick win with limited impact on parking availability generally;
- Whilst the majority of EVs are currently private cars it is important to support other forms of EV vehicles which can also be converted to zero emissions. Taxis and car clubs should be a focus.
- LBTH to work with car clubs to convert bays to EV and to favour electric car clubs when contracts come up for retendering
- To support the introduction of EV taxis as new TfL regulations will require all new taxis to be EV from 2018. Charging infrastructure will be required to service these vehicles thus supporting access to taxi services for borough residents and taxi drivers living in the borough.
- Installation of rapid chargers via the TfL framework.
- Making best use of assets: Tower Hamlets Homes owns large amounts of land within the borough, including a number of parking spaces which are currently unrented. These underutilised bays could be repurposed as public electric vehicle charge points. Alternatively bays could be electrified to encourage EV ownership amongst residents of THH's 21000 residential properties.
- Remain cost neutral: The provision of electric vehicle infrastructure should remain cost neutral wherever possible so as not to become a financial burden on the council. To achieve this LBTH should make use of all available funding and revenue. This includes government grants, partnerships with private companies which provide profit shares and fees

3.3 The mix of charging units available include two main varieties:-

- Rapid charge units which are of a considerable size – a petrol pump sized charging facility accompanied by the feeder supply box of over 1m in length. A full charge is possible within 30 mins. These would be attractive to passing traffic, visitors and taxis and probably need to be located in sites close to main roads or town centres. These charge points would require dedicated space to be designated and enforced to protect availability for electric vehicles.



Rapid Charge unit



Slow charge arrangement

- Slow charge units can be provided by installing a supplementary connection within a street lighting column or a separate free standing unit. These would be more appropriate for overnight residential use and trials in other boroughs suggest that if a small cluster of columns are converted, the limited number of residents requiring such an on-street facility at this stage will generally be able to find a suitable parking space without a designated space needing to be provided. The metered plug-in connection is owned by the vehicle owner so the power supply costs are a direct contract between the energy provider and the resident, with no impact on the Council's Street lighting unmetered supply bills. Subject to successful pilots, in areas with known early adopters, these could be rolled out quickly with minimal impact on parking availability.

3.4 It is therefore recommended that the Electric Vehicle Charging Point Strategy is approved with the target of providing a minimum of 150 points by 2025, although a more aspirational target could be set of delivering 300 points by the same date. This baseline target would create a grid of charge points with every residence within at least 500m of a point.

3.5 A number of TfL approved suppliers are already available and a borough consortium is also procuring a framework of suppliers to build delivery capacity across London. It is therefore recommended that, subject to due diligence, the Corporate Director Place is authorised to enter into service level agreements with suppliers and utilise the GULCS framework contract for the delivery of on-street charging points throughout the borough.

3.6 The Council has now received confirmation of £36,000 GULCS grant funding being available in the current financial year as 75% match funding enabling the delivery of up to 14 charging points. This can be matched by £12000 LIP funding and the adoption of a capital estimate will therefore enable work to commence n delivery of the strategy immediately.

- 3.7 It is recommended that the adoption of this strategy be publicised locally and residents and businesses invited to express an interest in utilising these charging points in the future to inform the roll-out plan.

4. COMMENTS OF THE CHIEF FINANCE OFFICER

- 4.1 The report seeks consideration of the Electric Vehicles Draft Strategy and recommends integrating it with the Climate Change / Air Quality Management Action Plan reports due to Cabinet September 2017.
- 4.2 The strategy highlights the need to determine the future demand and infrastructure requirements within the borough for Electric Vehicles. The aim for the Council is to have a minimum of 50 EV chargers by 2020 increasing to 150 by 2025 with an aspirational aim of 300 chargers in the same period. The full impacts of providing a mixed charging offer will need to be fully considered and quantified to ensure that any provision remains cost neutral to the authority and that funding opportunities are fully explored and included as part of the Council's Capital Strategy.
- 4.3 The Council has expressed an interest in being part of the Go Ultra Low City Scheme (GULCS) multi-borough procurement of a framework contract for delivery of Electric Vehicle charging points which will enable grants of 75% of the capital cost of the installation work to be accessed. There are a number of funding options available to the Council to fund the balance. TfL LIP funding has been identified as eligible match funding to support the full costs of installation. Section 106/Community Infrastructure Levy funding could also be used to fund the capital cost of provision in and around new developments. Most Rapid Charge Point providers fully fund chargers in return for a lease or licence for a site which would also receive revenue from parking permits.
- 4.4 Depending on the mix charging offer to be procured, the back office and maintenance costs will be determined through the procurement process, but there is no charge upon the Council in relation to any power usage by those charging, that will form a direct relationship between the power supplier and the vehicle owner.
- 4.5 There are significant competing demands for funding and therefore the Strategy will form an important justification to support funding requests where additional resources are required. Those costs will need to be quantified and the necessary funding identified as part of the development of the Council's Medium Term Financial Strategy and Capital Strategy before implementation.

5. LEGAL COMMENTS

- 5.1 Nationally, the Air Quality Strategy for England, Scotland, Wales and Northern Ireland sets out UK vision for how good air quality can contribute to a good quality of life and the steps being taken to achieve this. As part of this

Strategy, improvements are sought in air quality due to the impacts pollution has on human health and the environment.

- 5.2 Part IV of the Environment Act 1995 ('the 1995 Act') requires all local authorities in the UK to review and assess air quality in their area. Specifically, section 82 of the 1995 Act makes it a duty that every local authority shall review the air quality within its area, both at the present time and the likely future air quality. Section 83 of the 1995 Act also makes it a duty for local authorities to designate an air quality management area ('AQMA') where air quality objectives are not being achieved, or are not likely to be achieved within the relevant period, as set out in the Air Quality (England) Regulations 2000 ('the 2000 Regulations'). An Air Quality Management Area was declared in the Borough in December 2000.
- 5.3 Once an area has been designated then section 84 of the 1995 Act imposes a further duty on the local authority to carry out an assessment and then to develop an Action Plan for the air quality management area. An Air Quality Action Plan was published in 2003 and as indicated in this report a new Air Quality Management Action Plan is due to be considered by Cabinet in September. If agreed the draft strategy for the rolling out of the introduction of Electric Vehicle Charging Points will be incorporated into that Action Plan.
- 5.4 Local authorities are required to consult on its air quality review and assessment; further air quality assessment in an air quality management area; and preparation or revision of an air quality action plan and schedule 11 of the 1995 Act requires such consultation to be with:
- the Secretary of State;
 - the Mayor of London;
 - the Environment Agency;
 - the highways authority ;
 - in London, the Mayor (for London authorities only);
 - all neighbouring local authorities;
 - the county council (if applicable to English local authorities);
 - any National Park authority;
 - other public authorities as appropriate; and
 - bodies representing local business interests and other organisations as appropriate.
- 5.4 As it is intended to integrate the Electric Vehicle Strategy with the air quality action plan then the Council will have to consult as above.
- 5.5 There is no requirement for Local authorities to undertake full public consultation but Government Guidance (see Chapter 5 of the Local Air Quality Management Policy Guidance Addendum: LAQM.PG(09)) provides that local authorities should use their own judgement to determine whether there is a need for a full public consultation.

5.6 Specifically in respect of consultation on the Action Plan, the Guidance provides:

“Exchanging information is important throughout the local air quality management process. Many local authorities have successfully established local steering groups to oversee the process. Some authorities have built on existing inter-authority pollution groupings. Where appropriate, these steering groups should include:

- local authorities’ representatives, including transport and land planners;
- the Highways Agency (where the English strategic road network is affected), or Transport for London if a London local authority;
- the Environment Agency;
- representatives of local businesses and community groups;
- representatives of Primary Care Trusts; and
- any other local interest groups and local residents.”

5.7 As to consultation, the Council must consider its common law duty and which imposes a general duty of procedural fairness upon public authorities exercising a wide range of functions which affects the interests of individuals (see *R (Moseley) v Haringey London Borough Council* [2014] UKSC 56, [2015] 1 All ER 495 at [35] per Reed LJ and the consultation must comply with the following common law criteria:

- (a) it should be at a time when proposals are still at a formative stage;
- (b) the Council must give sufficient reasons for any proposal to permit intelligent consideration and response;
- (c) adequate time must be given for consideration and response; and
- (d) the product of consultation must be conscientiously taken into account.

5.8 The duty to act fairly applies and prior to undertaking a consultation exercise, consideration must be given to whether the matter to be consulted on impacts on those with protected characteristics. If it does then the method of consultation should be adapted to ensure that those persons are able to respond to the consultation so as to inform the decision making process. For example, if a group of persons with a protected characteristic is a ‘hard to reach’ group then they may not be reached by traditional consultation techniques.

5.9 As to issues of parking, the Council is a parking authority for the purpose of the Road Traffic Regulation Act 1984 (‘the 1984 Act’). Under sections 45 and 46 of the 1984 Act, the Council may by order: (1) designate parking places on highways in Tower Hamlets for vehicles or vehicles of any class specified in the order; (2) make charges for vehicles left in a parking place so designated; (3) limit the use of designated parking places for specified persons or vehicles or classes of persons or vehicles authorised by permit; and (4) make charges in connection with the issue of such permits. This would therefore permit the Council to set aside designated parking spaces for electric vehicles only but

the Council would have to comply with the process and procedure set out in the Local Authorities' Traffic Orders (Procedure) (England and Wales) Regulations 1996 ('the 1996 Regulations') and which apply to any order made or proposed to be made pursuant to sections 45 and 46 of the 1984 Act by virtue of regulation 4 of the 1996 Regulations. Further, the Council would have to consider wider consultation as part of making any order.

- 5.10 When deciding whether or not to proceed with the proposals, the Council must have due regard to the need to eliminate unlawful conduct under the Equality Act 2010, the need to advance equality of opportunity and the need to foster good relations between persons who share a protected characteristic and those who don't (the public sector equality duty).

6. ONE TOWER HAMLETS CONSIDERATIONS

- 6.1 This strategy seeks to ensure that electric vehicle charging points are delivered as efficiently as possible to ensure that all those requiring access have at least one on-street point conveniently located within less than 500m of their home by 2025.
- 6.2 The strategy seeks to ensure that these charging points are provided in a safe manner which neither obstructs essential kerbside access nor creates trip or fall hazards.

7. BEST VALUE (BV) IMPLICATIONS

- 7.1 The delivery of this strategy seeks to utilise recently tendered frameworks for the installation of charging points which are being procured by a consortium of 22 Boroughs and TfL to ensure value for money is maximised through efficiencies of scale.

8. SUSTAINABLE ACTION FOR A GREENER ENVIRONMENT

- 8.1 The entire objective of this plan is to facilitate a shift to cleaner electric vehicles and is enacting a key policy in the Draft Air Quality Management Plan.

9. RISK MANAGEMENT IMPLICATIONS

- 9.1 Health & Safety assessments and plans will be required from the relevant contractor in all implementation work in order to mitigate any risk to the Council, contractor's employees and/or the public in the delivery and ongoing operation of these facilities.

10. CRIME AND DISORDER REDUCTION IMPLICATIONS

- 10.1 Caution will be applied in extending the initial supply of electric vehicle points to enable them to be monitored for any crime and antisocial behaviour issues which may arise.

11. SAFEGUARDING IMPLICATIONS

11.1 None

Linked Reports, Appendices and Background Documents

Linked Report

- None

Appendices

- Appendix 1 – Electric Vehicle Charging Point Delivery Plan

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

- None

Officer contact details for documents:

Or state N/A

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<p>Cabinet</p> <p>19 September 2017</p>	 <p>TOWER HAMLETS</p>
<p>Report of: Denise Radley, Corporate Director, Health, Adults and Community</p>	<p>Classification: Unrestricted</p>
<p>Autism Strategy for Adults 2017-22</p>	

Lead Member	Councillor Denise Jones, Cabinet Member for Health and Adult Services
Originating Officer(s)	Karen Sugars, <i>Divisional Director Integrated Commissioning</i> Barbara Disney, <i>Service Manager - Strategic Commissioning</i> Jack Kerr, <i>Strategy Policy & Performance Officer</i>
Wards affected	All wards
Key Decision?	Yes
Community Plan Theme	A healthy and supportive community

Executive Summary

- 1.1 Autistic Spectrum Disorder (ASD) is a lifelong developmental disorder, characterised by impairments in social interaction, social imagination and communication. Recent estimates suggest that approximately 1.1% of the population have Autistic Spectrum Disorder.
- 1.2 The attached “2017-22 Autism Strategy for Adults” represents the first strategy of its kind in Tower Hamlets. The strategy sets out how local services will support autistic adults¹ over the next five years, and how we will collectively meet national policy requirements in relation to adults with autism.
- 1.3 The strategy is primarily made up of eight priorities to be worked on over the next five years. These priorities are as follows:
 1. Help autistic people to feel like part of their community
 2. Help autistic people access good quality health and social care services
 3. Support young people with autism to transition into adulthood
 4. Raise people’s skills and knowledge in relation to autism
 5. Help autistic people to find and keep work
 6. Help autistic people to live in good quality housing that meets their needs
 7. Reduce and improve autistic people’s interaction with the criminal justice system

¹ The phrase “autistic adults” or “autistic people” is being used in preference to “adults with autism” or “people with autism” in line with feedback from autistic people.

8. Help those who care for friends and family with autism
- 1.4 The strategy proposes that an Autism Partnership Board be established in Tower Hamlets to oversee the delivery of the strategy over the coming years.

Recommendations:

The Mayor in Cabinet is recommended to:

1. Agree to the Adults Autism Spectrum Disorder Strategy at Appendix 1.

1. REASONS FOR THE DECISIONS

1.1 Rationale for developing an Autism Strategy:

- 1.1.1 National Autism Strategy: A local Autism Strategy will ensure we are meeting the requirements of the national Autism Strategy and accompanying statutory guidance. This strategy was first published in March 2010 following the Autism Act in 2009, and was most recently updated in January 2016. Statutory guidance was produced in March 2015.
- 1.1.2 Self-assessment: A local Autism Strategy will enable issues identified in our local self-assessment to be addressed. Tower Hamlets has taken part in a number of self-assessments to evaluate our progress on implementing the national autism strategy for adults. The last self-assessment that was completed in October 2016 highlighted a number of areas for improvement.
- 1.1.3 Legislation: A local Autism Strategy will help ensure we are meeting the requirements of the 2014 Care Act in relation to adults with autism. For example, duties around the provision of universal information and support to residents and the need for services to work cooperatively with one another are all applicable to people with autism.
- 1.1.4 Transforming Care Programme: A local Autism Strategy will ensure we are working in accordance with the Transforming Care Programme. This programme arose from the 2011 Winterbourne View case, and is focused on developing services and support for people with a learning disability and/or autism who display behaviour that challenges. It sets out an expectation that more community services be developed and with a view to reducing the number of adults with challenging behaviour in in-patient facilities.
- 1.1.5 Demand: A local Autism Strategy will help address the issue of an anticipated increase in demand for autism-related support. Staff feedback is that the number of children and young people with a diagnosis of autism has seen a 150% rise in recent years. The local authority and partner organisations need to anticipate and address a potential increase in demand for support as this cohort reaches adulthood.

- 1.1.6 Joint Strategic Needs Assessment: A local Autism Strategy will enable the needs of adults with autism as identified in the Joint Strategic Needs Assessment to be addressed. A JSNA Factsheet on “Autism Spectrum Disorder” is currently being finalised. Findings highlight a number of areas for improvement, which can be addressed through the strategy.
- 1.1.7 People with a learning disability: Having a separate Autism Strategy will ensure that the needs of autistic adults are not “lost” within learning disability support provision. People with autism can sometimes be categorised as having a “learning disability”, particular in terms of the services they come into contact with. A significant proportion of autistic adults will also have a learning disability, but this will not be true in all cases.

2. ALTERNATIVE OPTIONS

- 2.1 No other options have been considered as the Autism Act (2009) places a statutory requirement for Local Authorities and Health to put in place a local plan for Adults with Autism Spectrum Disorder.

3. DETAILS OF REPORT

3.1 Scope of the strategy

- 3.1.1 The attached 2017-22 Autism Strategy for Adults aims to ensure that we are making strides towards the national vision of autistic adults. This is as follows:

“All adults with autism are able to live fulfilling and rewarding lives within a society that accepts and understands them. They can get a diagnosis and access support if they need it, and they can depend on mainstream public services to treat them fairly as individuals, helping them make the most of their talents.”

- 3.1.2 Whilst the “Autism Strategy for Adults” has been primarily developed by the Adult Services Directorate, it is presented as a partnership strategy as we recognise that the needs of autistic adults cut across services and are not exclusive to adult social care. It is a partnership strategy that will primarily be held by the local authority and Clinical Commissioning Group.

- 3.1.3 The strategy has a focus on adults but not autistic children. Evidence suggests that the number of children and young people diagnosed with autism has grown rapidly in recent years, and according to staff feedback, autism is now one of the three most common long-term conditions affecting children. The needs of this group will instead be addressed in a planned strategy for children and young people with Special Educational Needs or Disabilities (SEND). This will place a real focus on early intervention to help children and young people with Autism. The new SEND strategy is scheduled to be presented to Cabinet for final sign off in January 2018

3.1.4 The lifespan of the strategy is five years rather than the originally proposed three, in recognition of the fact that many of the objectives are longer-term aims.

3.1.5 In order to fully realise the strategic vision of this strategy, additional resources may be required initially, for such things as increased awareness across the whole system. At the moment there is no dedicated budget specifically available to adults, whose primary care need is Autism, other than that for the Diagnostic and Intervention Service, currently funded through the Better Care Fund. This is unlikely to be more than £50,000 but will be identified by the Autism Steering Group. Funding for this has been identified from the new adult social care monies.

3.2 Consultation feedback in developing the strategy

3.2.1 The “Autism Strategy for Adults” was primarily developed over November and December 2016. The development of the strategy was overseen by representatives from adult social care, public health and the Clinical Commissioning Group. Further consultation activity has taken place in

3.2.2 The aspiration was to fully co-produce the “Autism Strategy for Adults” with autistic people. This aspiration has not been fully realised, however the strategy has been driven by the views and experiences of autistic adults as much as possible. There have been key barriers in relation to co-producing the strategy: Firstly, the current design of services means there is no easy way to get in contact with autistic adults², and secondly, a number of service users with Autism are non-verbal and difficult to engage³. The timescales involved in developing the strategy have also limited the opportunity for coproduction. However meaningful engagement has taken place through a number of consultation exercises. This includes:

- Two all day workshops held with autistic adults and their carers. This was widely advertised through a press release to numerous local media outlets, on twitter and a specially designed poster sent to our adult social care providers. The workshops were attended by 10 people with Autism and some carers
- An online survey⁴ was widely advertised to numerous local media outlets, on the Councils social media pages and the link sent to Tower Hamlets adult social care providers. Hard copies of the survey were also made available and sent out. In total the survey was completed by 26 people.
- A focus group was held with Tower Hamlets inter faith group to discuss the draft strategy and to collect feedback.

² For example, there is no one list of contact names and addresses for adults who have received an autism diagnosis, and no one service regularly attended by a cross-section of autistic adults.

³ For example, we attempted to engage service users at Tower Projects First Start day centre which is exclusively used by autistic adults. However almost all services users are non-verbal and were not able to be effectively engaged.

⁴ A hard copy of the survey was also available and was sent out to groups who requested it. However no hard copy survey responses were received.

- Feedback and evidence has been gathered by a wide range of professionals including those in the health, employment and criminal justice sectors.
- Tower Hamlets Learning Disability Partnership Board and staff from Tower Hamlets Autism Diagnostic and Intervention service have provided feedback to the strategy.

3.2.3 The feedback gathered from these key stakeholders helped to shape the aims and objectives of the strategy. Further consultation and engagement activity carried out in May 2017 has proved that people endorse the strategies and its eight identified objectives for people with Autism. People were particularly keen on the idea of staff training to raise awareness of autism. All of the messages we received during the consultation period have been incorporated into the Autism Strategy for Adults. Key messages from the Consultation include:

General

- People support the idea of staff training on autism and feel it is needed.
- Some people find the label “autism” useful. Others do not, and would actively seek to avoid it. As a result, there was a divide in opinion when it came to “Autism Alert” cards: Some people feel strongly that they would be useful. Others feel strongly that they do not want to use them. Those who like the idea of an Autism Alert card would also like to see IT systems “flag” the issue that a person has autism, so that they do not have to repeatedly explain themselves when contacting public services.
- Some autistic people may actively seek to avoid interaction with services (e.g. primary care). This could be due to previous negative experiences. This can cause problems in getting a diagnosis, and getting post-diagnostic support. Have to think through how to get support to these people.
- People would like to see form-filling that is brief and to the point

Health

- People suggested the idea of having annual Health Checks with GPs
- People suggested that autism awareness training be provided to health professionals, but also frontline staff (e.g. GP receptionists)
- People would like to see:
 - The offer of home visits from GPs or community nurses for autistic people who cannot leave their homes
 - Forms that are brief and to the point
 - The offer of GP appointments that are longer than 10 minutes
 - The offer of GP appointments at quieter times
 - The offer of seeing a consistent GP
 - A reduction in waiting times at the GPs
 - GPs using visual diagrams (e.g. body diagrams, or a picture of the GP) to assist with communication
 - Visitor parking permits for appointment times
 - A write up of appointments so that either themselves or their family can refer to it later

- Better use of the Hospital Passport book
- Better support for carers

Housing

- People like that they can reapply for housing on medical grounds
- People would like planning to consider:
 - Access to space (e.g. gardens) for those who are housebound
 - The risks posed by having an open-plan kitchen and living room (it can be easier for autistic people to access kitchen hazards)
 - The risks posed by having balconies in high-rises
 - The risks posed by having locks that are easy to unlock (it can lead to people wandering)
 - Cluttered pavements that can be difficult to navigate through.
- Would be good for people to “make an effort” with their neighbours in order to get support from their communities.

Crime

- There was mention that the British Transport Police are good – people had good experience of them interacting with people with autism
- People would like to see:
 - The system providing quiet and calm spaces for autistic people
 - Criminal justice system staff using communication aids
- People raised the question as to when challenging behaviour becomes criminal behaviour
- People mentioned “mate crime” as an issue facing some autistic people.
- People would like to see quicker access to their family or carers

Social Care

- A number of people recounted that they had received help whilst children, but that this had ended at the point of reaching adulthood. There was a feeling that resources are stretched and that little is available.
- People would like adult social care to consider:
 - Providing people with a consistent Social Worker
 - Staff sending a write-up of meetings after they take place
 - The autism diagnostic service in Tower Hamlets providing support on a longer-term basis
 - Providing support to combat social isolation for autistic people
 - Supporting an occasional informal coffee morning in a safe, quiet space
 - A drop-in service provided in a less formal way may be useful

Society

- It would be good to work with local shops so that staff are more aware of how to deal with autistic people and challenging behaviour.
- A peer-led group may be useful to establish.

Employment

- JET Tower Project employment services was praised by a few respondents to the survey as having a real expertise in supporting autistic people with work
- People would like to see:
 - More work placements and employment opportunities for autistic people
 - The opportunity for timely reviews with both parties (employer/employee), separately and together.
 - More CV preparation and interview training, more mentors
 - Support for autistic adults on how to manage social situations at work
 - Application forms that are as brief as possible
 - Support with using public transport, recognising that people may struggle with employment if the travel there is stressful.
 - An ongoing support group led by autistic adults who are successfully employed and can share their positive experiences
- One person mentioned a service in Camden, whereby employers with specific requirements are linked up with autistic people with specific skill-sets. People liked the idea of focusing on the special interests to autistic adults.

Transitions

- People would like to see:
 - A mentoring system with autistic adults supporting young people with autism to transition into adulthood
 - Sharing options with parents giving a range of alternatives – It was felt that current choice for provision is limited e.g. Tower Hamlets College being only option for education

3.3 Structure of the strategy

3.3.1 The “Autism Strategy for Adults” is made up of three main sections: The first section sets the scene, collectively setting out the needs of autistic adults, how we currently meet those needs, and the national policy context. The second section sets out our aims and objectives around supporting autistic adults over the next five years. The third and final section provides more detail on how the strategy in terms of how it will be carried out, how it was developed and how it links to other strategies.

3.3.2 Throughout the strategy, attempts have been made to produce information in “plain language” that is easy to understand and scrutinise. This has been done so that the strategy can be co-owned by autistic adults and their carers.

3.4 Next Steps

3.4.1 Once approved, a Communications Plan will be drawn up to set out how the “Autism Strategy for Adults” will be communicated to staff, stakeholders, residents, service users and carers. This is with a view to ensuring that

people who have an interest in autism are aware of and engaged with the strategy over the next five years

- 3.4.2 We will set up an 'Autistic Adults Partnership Board'. This group can be made up of staff, people with autism and their carers. The group can make sure that this strategy is put into place. The group will meet regularly from summer 2017 onwards, and can develop a work plan to set out what specific actions will be worked on each year.

4. COMMENTS OF THE CHIEF FINANCE OFFICER

- 4.1 The Autism Strategy has been developed and will be delivered jointly by the Council and the Tower Hamlets Clinical Commissioning Group (CCG). The Council will deliver the relevant elements of the strategy via its operational teams. In 2017-18 and 2018-19 the Council has budgeted £330k per annum to cover the Autism Diagnostic and Intervention Service, which is funded from the Better Care Fund (BCF).

On the 4 July 2017 the 2017-18 BCF guidance was issued. The next step is to formally agree the 2017-19 BCF allocations with Tower Hamlets CCG. Should the funding of this strategy not be agreed as part of this process alternative funding arrangements will need to be identified. Further guidance is required on BCF and other potential changes to funding mechanisms for the period 2020-2022.

5. LEGAL COMMENTS

- 5.1. The Care Act 2014 places a strong emphasis on preventing and delaying needs for care and support, making sure that there is appropriate information and advice for people, support for carers, and promoting integration between social care and health care services. It also places a duty on local authorities to promote a person's well-being when carrying out any of their care and support functions in respect of that person.
- 5.2. The Council must also have regard to the Statutory Guidance for Local Authorities and NHS organisations to support implementation of the Adult Autism Strategy dated March 2015 ("the Guidance"), which is issued by the Secretary of State pursuant to section 2 of the Autism Act 2009 and supports the Government's 2014 strategy "Think Autism". This Guidance is issued under s7 of the Local Government Social Services Act 1970, so must be followed unless there is good reason.
- 5.3. The requirements set out in the Guidance in respect of improving training around autism is consistent with the Care and Support (Assessment) Regulations 2014, which require local authorities to ensure that a person undertaking an assessment of an adult's care and support needs has suitable skills, knowledge and competence in the assessment they are undertaking, and is appropriately trained.

- 5.4. The Guidance also addresses the Council's further duties towards those on the autistic spectrum under the Care Act 2014 in respect of planning for transition from children's to adults' services and the requirements under the Children and Families Act 2014 in respect of assessments of the Education, Health and Care needs of young people up to the age of 25, and providing them with a plan which meets their needs.
- 5.5. When preparing the Council's Autism Strategy, regard must be given to the public sector equalities duty to eliminate unlawful conduct under the Equality Act 2010. The duty is set out at Section 149 of the 2010 Act. It requires the Council, when exercising its functions, to have 'due regard' to the need to eliminate discrimination (both direct and indirect discrimination), harassment and victimization and other conduct prohibited under the Act, and to advance equality of opportunity and foster good relations between those who share a 'protected characteristic' and those who do not share that protected characteristic.

6. ONE TOWER HAMLETS CONSIDERATIONS

- 6.1 The strategy notes that difficulties with social interaction and communication are some of the main characteristics of autism, which along with social stigma, can lead to social isolation for autistic adults. The strategy therefore includes an objective around social inclusion: "Help autistic people to feel like part of their community". This and the actions listed to achieve this objective are intended to promote social inclusion for autistic adults.

7. BEST VALUE (BV) IMPLICATIONS

- 7.1 The strategy has financial implications for the local authority and Clinical Commissioning Group. These implications are centred around a proposal to remodel the Autism Diagnosis and Intervention Service in Tower Hamlets so that it offers interventions to adults who have a pre-existing autism diagnosis (not just newly-diagnosed autistic adults), and a proposal to commission autism awareness training to staff working in organisations across the borough. Best value is being proposed in the following ways in relation to this:
- Remodelling the Autism Diagnosis and Intervention Service: The proposal to extend the service so that interventions can be provided to adults who have a pre-existing autism diagnosis is intended to ensure that autistic adults are provided with effective support that is focused on early intervention and crisis prevention. This, in turn, is intended to ensure that services avoid higher costs associated with crisis situations.
 - Commissioning autism awareness training: In order to secure best value, it is proposed that Tower Hamlets seek to jointly commission autism training for staff. This training could be funded regionally – for example, by the seven boroughs that make up the Sustainability and Transformation area

or the three boroughs that make up the Transforming Services Partnership.

8. SUSTAINABLE ACTION FOR A GREENER ENVIRONMENT

8.1 Not Applicable

9. RISK MANAGEMENT IMPLICATIONS

9.1 Having an effective Autism Strategy will help mitigate any risks around the needs of autistic adults not being met. This particularly includes people where Autism is their primary care need and is likely to not be assessed as having eligible social care needs if not associated with other care needs such as a learning disability.

10. CRIME AND DISORDER REDUCTION IMPLICATIONS

10.1 The strategy notes that a disproportionately high number of offenders and victims of crime have autism. The strategy therefore includes an objective around the criminal justice system: "Reduce and improve autistic people's interaction with the criminal justice system". This and the actions listed to achieve this objective are intended to reduce crime and disorder overall.

11. SAFEGUARDING IMPLICATIONS

11.1 The strategy has a number of positive implications for safeguarding vulnerable autistic adults: For example, objectives and actions aimed at improving access to health and social care service should result in more safeguarding issues being prevented or tackled at an early stage.

Linked Reports, Appendices and Background Documents

Linked Report

- NONE

Appendices

- Appendix 1: The 2017-22 Autism Strategy for Adults

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

- NONE.

Officer contact details for documents:

N/A

<p>Cabinet</p> <p>19 September 2017</p>	 <p>TOWER HAMLETS</p>
<p>Report of: Debbie Jones, Corporate Director, Children's Services</p>	<p>Classification: Unrestricted</p>
<p>Open Space Strategy 2017 - 2027</p>	

Lead Member	Councillor Abdul Mukit, Cabinet Member for Culture
Originating Officer(s)	Judith St John, Divisional Director Sport, Culture and Leisure Thorsten Dreyer – Service Manager Strategy, Performance & Resources
Wards affected	All wards
Key Decision?	Yes
Community Plan Theme	A Great Place to Live

Executive Summary

The previous Open Space Strategy covered the period from 2006 to 2016 and helped to secure approximately £8.6 million investment in parks and open spaces via section 106 contributions, and a further £3.3 from other external sources. Satisfaction with parks and open spaces has remained high: 71% of residents rated parks as excellent, very good or good in the 2016/17 Annual Residents survey.

The Open Space Strategy has been updated for 2017 to 2027 in response to national and local drivers including the requirement to provide an up-to date needs assessment of open space and playing pitches for the Local Plan.

The assessment prepared in the development of this strategy follows national and regional guidance from the Mayor of London and Sport England, to meet National Planning Policy Framework requirements, and will help the council make informed decisions about open space requirements and investment in the context of rapid development for the next 10 years.

Specifically the Strategy has:

- Identified how resources should be prioritised for improving existing parks and open spaces, including playing pitches and outdoor sports facilities, so that at a time of constraint budgets investment is targeted where it can make the biggest difference.
- Identified sites for new open spaces, which have informed areas of search for site allocations in the new Local Plan.

Given the pace of change, the Open Space Strategy would benefit from a refresh after a five year period to ensure planning decisions are informed by recent evidence.

Recommendations:

The Mayor in Cabinet is recommended to:

1. Adopt the Open Space Strategy in Appendix 1

1. REASONS FOR THE DECISIONS

- 1.1 The National Policy Planning Framework (NPPF) requires Local Plan policies to be based on up to date assessment of open space and playing pitch needs. The Open Space Strategy meets this requirement by bringing together considerations for open space more generally and playing pitches specifically in one strategic document. Bringing these aspects together allows different demands on limited open space to be balanced more effectively.
- 1.2 The Open Space Strategy is a reference document guiding investment of available resources in the borough's green spaces and development negotiations for new or enhanced open spaces. This is an essential role, because as the assessment identifies, the borough continues to have an open space deficiency and the substantial increase in population density projected for the next 10-15 years is likely to place even more pressure on land. It will be increasingly important for the council to persist in trying to secure new open space, and to ensure that existing parks and open space can cater to the competing demands placed upon them. The prioritisation framework set out in the Strategy enables the council to ensure that limited available resource at a time of financial constraints is invested to achieve the greatest level of impact.

2. ALTERNATIVE OPTIONS

- 2.1 If the Open Space Strategy is not refreshed, the council will limit its ability to plan effectively for open space provision in an area which is expected to see significant housing, employment and population growth. The council will also risk not adhering to the National Planning Policy Framework and the Mayor of London's London Plan around the responsibilities of planning authorities. Taking no action will also mean that the new Local Plan, currently under development, will not have an up to date evidence about current and future supply and demand of open spaces and playing pitches.
- 2.2 The Open Space Strategy could be revised differently, but the approach followed is judged to be the best way to meet national requirements, whilst focusing on what matters locally.

3. DETAILS OF REPORT

BACKGROUND

- 3.1 The previous Open Space Strategy covered the period from 2006 to 2016. During this time the council's ability to invest in open space from its core capital resources declined. In 2011/12 capital funding for parks and open spaces switched entirely to external funding sources, predominantly secured via S106 contributions, and the Open Space Strategy helped to secure funding in this environment by evidencing the need for open spaces. Approximately £8.6 million was levered in via section 106 contributions and a further £3.3 from other external sources. This funding helped to ensure new sites were delivered and existing parks and open spaces were improved despite the substantial changes to the funding environment. Resident satisfaction with parks and open spaces (as measured by the ARS) is now the highest it has been since the ARS was introduced with 71% of residents rating parks as excellent, very good or good in 2016/17.
- 3.2 The Mayor has previously stated his commitment to factor open space considerations into developments in Tower Hamlets, and the council's Strategic Plan 2016/17 to 2018/19 commits to the delivery of a new Open Space Strategy, as a vital source of information for such considerations. The Open Space Strategy is one of a number of evidence documents being refreshed to feed into the council's new Local Plan and will help inform specific decisions about open space requirements, in the context of broader infrastructure requirements for the borough.
- 3.3 The preparation of this open space assessment, which covers open space more widely and playing pitches more specifically, meets the requirement set out in the NPPF, specifically paragraph 73 which states that *"Planning policies should be based on robust and up to date assessments of the needs for open space, sports and recreation facilities and opportunities for new provision, The assessments should identify specific needs and quantitative or qualitative deficits or surpluses of open space, sports and recreational facilities in the local area. Information gained from the assessments should be used to determine what open space, sports and recreational provision is required.* The assessment has been developed to follow national and regional guidance in order to meet NPPF requirements.
- 3.4 The London Plan and best practice guidance recommends that assessments focus on all open space and publicly accessible open space, and include on-site visits to open spaces. Similarly, Sport England guidance for playing pitch assessments recommends a combination of quantitative and qualitative assessments together with a consideration of future demand. In line with this guidance, Tower Hamlets identified open spaces and publicly accessible open spaces, including playing pitches, in-house, and commissioned an external on-site audit of spaces.
- 3.5 A range of engagement activities have been carried out to inform the development of this strategy. Internal consultation has been carried out with service areas in the council and via the Health and Wellbeing Board. External

engagement has been carried out using quantitative and qualitative methods. A resident telephone survey was carried out in November 2016 and a number of in-depth discussion groups were held with key stakeholder groups, such as sports groups and friends of parks groups. A consultation event was also held with the Youth Council in November 2016. A summary of external consultation can be found in the Open Space Strategy in Appendix 1.

- 3.6 It should be noted that because the Open Space Strategy is a strategic document focused on future demand and setting criteria for investment, it does not make recommendations regarding specific sites; nor consider maintenance or operational issues in parks generally e.g. dog walking, cycling, events in parks. There are separate policies and decisions in existence which cover these areas. Future decisions about individual sites will require separate consideration and consultation as necessary.
- 3.7 The headline findings and implications from the open space assessment are summarised below.

PUBLICLY ACCESSIBLE OPEN SPACES

- 3.8 The quantitative assessment of publicly accessible sites is of particular interest, because these are the sites that can be used by all residents. The assessment identified 172 publicly accessible sites in Tower Hamlets, which includes a range of sites such as parks and gardens, cemeteries and play areas. The sites are owned and maintained by a variety of organisations.
- 3.9 National guidance from Fields in Trust suggests open space provision is calculated by identifying how much publicly accessible open space there is compared to the population. Since 2011 there has been a net increase in the amount of open space provided in Tower Hamlets, however this increase has not kept pace with the increase in the population. As a result, the amount of open space in Tower Hamlets, measured by looking at the number of hectares provided per 1000 residents, is falling. Provision of open space is lower than the local open space standard (which was agreed in 2006) and the gap between provision and the standard is set to grow, in part, because of projected population growth.
- 3.10 A number of new publicly accessible sites have been brought forward since 2011, largely through developer negotiations. Some are owned and maintained by another body, for example, a housing association. The advantage of this is that maintenance costs are borne by the owner, rather than the council. Securing new sites which are publicly accessible, with ongoing maintenance costs paid for outside the council can alleviate the lack of supply without increasing costs to the council.
- 3.11 These findings underline the need to reaffirm Tower Hamlets' commitment to the creation of publicly accessible open spaces, though securing new spaces in a way which is financially prudent for the council.

QUALITY AND VALUE OF OPEN SPACES

- 3.12 Open space best practice guidance states that local authorities should quality assess sites. Accordingly, an external audit quality and value audit of open spaces in Tower Hamlets has been carried out. The 'quality' part of the assessment looked at the condition of sites, for example, how well physical aspects of a park, such as benches were maintained. The 'value' part of the assessment looked at what was on offer at individual sites, e.g. the range of facilities which residents can use as appropriate to the site. Criteria for carrying out the assessment were devised from Green Flag award criteria. The Green Flag criteria set a very high benchmark for assessment of open spaces. Sites below this standard may still be of good quality and value but fall short of the "gold standard" set for being awarded a Green Flag. It is worth noting that a quality assessment of open spaces was also carried out as part of the 2006 and 2011 Open Space Strategies; however results across the three years are not comparable, because a refined methodology was used in the 2016 assessment.
- 3.13 Headline findings are contained in the Open Space Strategy at Appendix 1. The sites that were audited include sites owned and maintained by the council and sites owned and maintained by other providers. In summary, the results present a mixed picture across the borough. Roughly half of sites in Tower Hamlets are above the thresholds for the Green Flag standard and roughly half are below standard.
- 3.14 Given the expected pressure on parks and open spaces in the next 10 to 15 years, and the limited ability to deliver new spaces, a focus for the council should be improving or enhancing the spaces that we already have. The financial context means that it may be difficult to deliver all the improvements or enhancements identified by the external audit, hence the Open Space Strategy sets out a way of prioritising investment, focused on existing areas of open space deficiency, which are expected to have high growth, with relevant data and intelligence about deprivation also factored in.

PEDESTRIAN ACCESSIBILITY TO OPEN SPACES

- 3.15 The London Plan states that Londoners should be within 400m/5 minute walking distance to a park above 2ha (which is roughly the size of two football pitches). Accordingly, the open space assessment maps catchment areas of 400m for open spaces of 2ha and above in Tower Hamlets. This identifies areas of the borough which meet London Plan guidelines and areas of the borough which do not meet London Plan guidelines – in other words, areas of open space deficiency, according to this measure.
- 3.16 In summary, the areas of open space deficiency (measured by pedestrian accessibility) are concentrated in the western and eastern parts of the borough, with some pockets in the South. These findings have informed the areas of search identified in the Local Plan, and used in the site allocation process.

IMPLEMENTATION

- 3.17 The findings of the open space assessment will become part of the evidence base for the Local Plan, and will help inform specific decisions about open space requirements, in the context of broader infrastructure requirements for the borough.
- 3.18 The Open Space Strategy contains cross-council strategic actions for improving parks and open spaces and once the strategy is adopted, the focus will be on implementing these actions.

4. COMMENTS OF THE CHIEF FINANCE OFFICER

- 4.1 This report presents an updated Open Space Strategy for the council covering the period 2017 to 2027 and seeks Cabinet approval for adoption and implementation
- 4.2 The previous Strategy was successful in securing £11.9 m of capital investment to improve parks and open spaces through section 106 contributions and other external funding sources such as the Heritage Lottery Fund. The current capital programme includes a further £8m worth of investment during the period of 2017-2020 through S106 contributions received. The council revenue budgets also include approximately £4.2m per annum for maintenance and up keep of the parks and open spaces within the borough.
- 4.3 Whilst there are no direct financial implications emanating from this report, the Strategy does provide a framework for future investment in Open Spaces within the borough and any additional investment decisions will need to be made in line with the council's overall Capital Strategy.

5. LEGAL COMMENTS

- 5.1 Whilst there is no statutory requirement for the Council to have an Open Space Strategy, the Strategy is an important reference document guiding investment in the Borough's green spaces and development negotiations for new or enhanced open spaces. This is an essential role, because as the assessment makes clear, the Borough continues to have an open space deficiency and the substantial increase in population density projected for the next 10-15 years is likely to place even more pressure on land.
- 5.2 The Open Space Strategy is a discretionary policy. There is no statutory requirement to consult but the Council is required to consider whether a common law duty arises. This common law duty imposes a general duty of procedural fairness upon public authorities exercising a wide range of functions which affects the interests of individuals. Any Such consultation must comply with the following common law criteria:
- (a) it should be at a time when proposals are still at a formative stage;

- (b) the Council must give sufficient reasons for any proposal to permit intelligent consideration and response;
- (c) adequate time must be given for consideration and response; and
- (d) the product of consultation must be conscientiously taken into account.

5.3 Paragraph 3.5 of the report advises as to engagement that has been undertaken. Engagement is not formal consultation. Engagement describes the continuing and on-going process of developing relationships and partnerships so that the voice of local people and partners is heard and that plans are shared at the earliest possible stages. Engagement can however be sufficient for the purposes of common law duty to consult. In considering whether to adopt the strategy, Cabinet will be required to consider whether that engagement is sufficient and to conscientiously take into account relevant responses made during the engagement.

5.4 When deciding whether or not to proceed with the proposals, the Council must have due regard to the need to eliminate unlawful conduct under the Equality Act 2010, the need to advance equality of opportunity and the need to foster good relations between persons who share a protected characteristic and those who don't (the public sector equality duty). To inform the Council in discharging this duty there is some information in the report relevant to these considerations in paragraph 6 below.

6. ONE TOWER HAMLETS CONSIDERATIONS

6.1 The Open Space Strategy is about providing access to high quality open space within easy reach for all residents of the borough. The Strategy identifies areas in the borough with the areas of greatest open space deficiency, measured in terms of the quantity of open space and the limited accessibility to open space. These areas inform the areas of search for the purpose of the site allocation process, which will be contained in the new Local Plan. Securing new spaces will benefit the communities located in these areas of open space deficiency, helping to address the imbalance between those who live in areas with sufficient open space, and those who do not.

6.2 Prioritising investment of existing open spaces by looking at areas with existing open space deficiency and facing high growth and factoring in deprivation will also help address the imbalance. However, given the scale of the task, particularly the high density of the borough, equality of physical access will remain a challenge.

6.3 A separate Equalities Screening and Equalities Analysis has been prepared in the development of this Strategy. Because this is a strategic document, any future individual site decisions will require separate Equality Impact Assessments, as appropriate.

7. BEST VALUE (BV) IMPLICATIONS

- 7.1 The Open Space Strategy makes recommendations which will help to make the network of parks and open spaces in Tower Hamlets financially sustainable and efficient.
- 7.2 In the process of securing new spaces through capital investment, revenue need must be considered and options drawn up to mitigate the financial impact for the council. For example, where possible, this could be achieved by securing arrangements in which ongoing maintenance costs for parks and open spaces is met by an external organisation.
- 7.3 In response to increasing demands on existing parks and open spaces, solutions to increase the sustainability of existing infrastructure should be considered as part of improvement projects and as part of the design process for new spaces.
- 7.4 The investment criteria set out in the Strategy seek to ensure that investment is targeted at sites where it will achieve the greatest level of return.

8. SUSTAINABLE ACTION FOR A GREENER ENVIRONMENT

- 8.1 Open spaces are fundamental to the environmental and social health of the borough. By its very nature, this strategy supports council strategic aims in this area by evidencing the need for a continued focus on protecting, creating and enhancing open spaces in the borough, which will help to balance against rapid urban development in the next 10- 15 years. Specifically, open spaces help to mitigate the impact of climate change; tackle air pollution; contribute to flood mitigation; contribute to CO₂ reduction and, combat the 'heat island' effect.
- 8.2 Biodiversity was factored into the quality and value audit when assessing the current sites to establish areas for improvement. This audit can now act as an evidence base for the council when it considers individual site enhancements and improvements, to help establish whether sites would benefit from additional biodiversity enhancements. In addition, the council has recently refreshed its air quality plan, which identifies the role of greening projects in tackling pollution.

9. RISK MANAGEMENT IMPLICATIONS

- 9.1 Risk will need to be considered in the context of individual projects regarding parks and open spaces.

10. CRIME AND DISORDER REDUCTION IMPLICATIONS

- 10.1 The results of market research carried out to support the development of this strategy identifies that making parks safe is a priority for residents. Given this, the strategy recommends that the ASB review (which is currently underway) gives due consideration to ASB related to parks and open spaces in Tower Hamlets. Safety and ASB considerations will need to be considered as individual projects are developed and implemented.

11. SAFEGUARDING IMPLICATIONS

- 11.1 Safeguarding is part of the operational management of parks and important as part of taking individual site improvements forward, and not within scope of this high-level strategic document.

Linked Reports, Appendices and Background Documents

Linked Report

N/A

Appendices

Appendix 1: Open Space Strategy
Appendix 2: Chapter 6 – Maps
Appendix 3: Equalities Analysis

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

- LUC quality and value audit
- ORS telephone market research
- KKP Playing Pitch Assessment
- Contractual arrangements for commercial and community events (Cabinet report, 4th January 2017)

Officer contact details for documents:

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<p>Cabinet</p> <p>19 September 2017</p>	 <p>TOWER HAMLETS</p>
<p>Report of: Zena Cooke, Corporate Director, Resources</p>	<p>Classification: Unrestricted</p>
<p>Business Rates Relief</p>	

Lead Member	Cabinet Member for Resources - Councillor David Edgar
Originating Officer(s)	Roger Jones – Head of Revenue Services
Wards affected	(All Wards);
Key Decision?	No
Community Plan Theme	A fair and prosperous community

Executive Summary

As part of the Budget on 8 March 2017, the Chancellor announced that the Government would make available a discretionary fund of £300 million over four years from 2017-18 to support those businesses that face the steepest increases in their business rates bills as a result of the revaluation.

The intention is that every billing authority in England will be provided with a share of the £300 million to support their local businesses. This will be administered through billing authorities' discretionary relief powers under section 47 of the Local Government Act 1988

The Government believes that local authorities are best placed to judge the particular circumstances of local ratepayers and direct the funding where it is most needed to support local economies. The Government will allocate the available funding to each billing authority area based on assumptions about how authorities will target their relief scheme.

The Council has been allocated the fifth largest amount nationally of £8.184m over four years, with no relief being funded for the final year of the rating list.

There are 2 options proposed on how to allocate the relief. These are –

1. Award a fixed amount which is consistent with other schemes introduced by the Government such as the Retail Relief scheme and more recently the scheme for Pubs. This would be simpler for the council to administer by paying a fixed amount for each ratepayer regardless of the size of the rateable value or the increase experienced by each ratepayer, but would not reflect the actual increase experienced.

Award relief based on a percentage of the actual amount of the increase as at the 1st April 2017. The increase is calculated by comparing the charge amount less any

reliefs or exemptions for 2016-2017 against the same calculation for 2017-2018. Awarding a percentage of any increase means that all ratepayers are treated equally and compensated consistently depending on the amount of increase that they have experienced. This means that all eligible ratepayers proportionally receive the same amount of assistance and relief.

Recommendations:

The Mayor in Cabinet is recommended to:

1. Agree the 2 options proposed for awarding the relief on either a fixed amount or based on a percentage increase.
2. Commence a consultation process with local businesses and business organisation.
3. Note that a further report will be presented giving details of the outcome of the consultation and recommendations for the final qualifying criteria to be included in the local relief scheme.

1. REASONS FOR THE DECISIONS

- 1.1 The Government has made it clear that the design of the scheme will be left to individual Councils but that funding will only be provided up to the maximum levels awarded each year. It is also assumed that the relief will be provided to the ratepayers or localities that face the most significant increases in bills for those ratepayers occupying lower value properties.
- 1.2 The funding for the scheme was determined by Government based on the national increases for properties with a rateable value of less than £200,000 where the value of the increase exceeds 12.5%. Since the upper rateable value of £200,000 was used by the Government for funding purposes we have adopted this to use as part of the general criteria for the relief, so that only small and medium businesses benefit from the relief.
- 1.3 The Government also made it clear that the relief should be aimed at supporting local economies and that state aid rules would apply when making any award of the relief. We have therefore excluded any company or other organisation with multiple rate accounts (three or more) that operates within or outside of the borough and also any public body that is listed as the ratepayer.
- 1.4 Awarding a percentage of any increase for businesses with a rateable value of below £200,000 means that all ratepayers are treated equally and compensated consistently depending on the amount of increase that they have experienced. This means that all eligible ratepayers proportionally receive the same amount of relief and it will target only small and medium sized businesses.
- 1.5 Eligibility for the relief is determined based on a fixed list which has been

extracted from the Council's Revenues system as at the 1st April 2017. This ensures that the amount of relief provided to ratepayers is maximised and kept within the allocation of resources provided by the Government.

2. ALTERNATIVE OPTIONS

- 2.1 The simplest option would to allocate a flat rate percentage to all ratepayers but this would not target small to medium sized businesses and would not reflect the size of the increase in rates payable as a result of the revaluation.
- 1.2 The Council could make a decision on the scheme criteria without consultation with local ratepayers but this would not be in line with the commitment to engage with and support local businesses and economic growth.

3. DETAILS OF REPORT

- 3.1 As part of the Budget on 8 March 2017, the Chancellor announced that the Government would make available a discretionary fund of £300 million over four years from 2017- 2018 to support those businesses that face the steepest increases in their business rates bills as a result of the 2017 revaluation.
- 3.2 The intention is that every billing authority in England will be provided with a share of the £300 million to support their local businesses. This will be administered through billing authorities' discretionary relief powers under section 47 of the Local Government Act 1988.
- 3.3 The Government believes that local authorities are best placed to judge the particular circumstances of local ratepayers and direct the funding where it is most needed to support local economies. The Government will allocate the available funding to each billing authority area based on assumptions about how authorities will target their relief scheme.
- 3.4 The Council has been allocated the fifth largest amount nationally of £8.184m over four years which reduces substantially year on year as shown in the following table, with no relief being funded for the final year of the rating list.

Amount of Discretionary Relief Available						
Gross Increase in Rates Payable from 16/17 to 17/18	2017/2018	2018/2019	2019/2020	2020/21	2021/2022	Total
£40,567,000	£4,774,000	£2,319,000	£955,000	£136,000	£0.00	£8,184,000

- 3.5 To allocate the resource between authorities the Government has assumed that authorities will provide support only to those ratepayers who are facing an increase in their bills following revaluation. This will be a condition of the grant. It further assumes that more support will be provided to;

- Ratepayers or localities that face the most significant increases in bills; and
- Ratepayers occupying lower value properties

3.6 In line with those broad assumptions funding will be allocated to each billing authority by:

Working out the total increase in bills (excluding the impact of transitional relief and other reliefs), for every rateable property in the billing authority's area that satisfies both the following conditions:

- The property has a rateable value for 2017-18 that is less than £200,000;
- The increase in the property's 2017-18 bill is more than 12.5% compared to its 2016-17 bill (before reliefs);

Summing the total increase in bills in all billing authority areas and distributing the available funding in each year in accordance with the formula:

$$A \times B/C,$$

Where:

- A is the total funding available for the year;
- B is the total increase in bills in an individual authority's area; and
- C is the sum of the total increase in bills in all local authority areas.

3.7 Any discretionary relief paid by billing authorities in respect of "revaluation support" in excess of their allocation shown at paragraph 3.4 will not be supported by the Government by a Section 31 grant payment.

3.8 In each year of the scheme, the Government proposes to pay billing and major precepting authorities' Section 31 grant equivalent to their loss of income under the business rates retention scheme. Payments will be based on estimates of the relief to be provided to ratepayers, capped at the maximum of that year's allocation (as shown in the table at paragraph 1.4 above) Grant will be paid to authorities in four equal instalments, quarterly in arrears – i.e. at the end of June, September and December 2017 and the end of March 2018.

3.9 Operational Issues

3.10 The Council will be responsible for designing the discretionary relief schemes that will operate in the borough. However, the Government expects the Council to discuss options with their major precepting authorities at an early stage and to consult them before adopting any scheme and where applicable consult their combined authority. The Government will place conditions on the Section 31 grant that will be paid to the Council requiring the appropriate consultation.

- 3.11 The Non-Domestic Rating (Discretionary Relief) Regulations 1989 (S.I. 1989/1059)¹ require authorities to provide ratepayers with at least one year's notice in writing before any decision to revoke or vary a decision so as to increase the amount the ratepayer has to pay takes effect. Such a revocation or variation of a decision can only take effect at the end of a financial year. However, within these regulations, local authorities may still make decisions which are conditional upon eligibility criteria or rules for calculating relief which allow the amount of relief to be amended within the year to reflect changing circumstances.
- 3.12 Therefore, when making an award, the Council must ensure contained in the conditions of the award are that the relief can be recalculated in the event of a change to the rating list for the property concerned (retrospective or otherwise). This is so that the relief can be re-calculated if the rateable value changes to ensure that the correct amount of relief is awarded where the chargeable amount either increases or decreases following any amendment to the rateable value.
- 3.13 Providing discretionary relief to ratepayers affected by Revaluation is likely to amount to State Aid. However the support for ratepayers will be State Aid compliant where it is provided in accordance with the De Minimis Regulations (1407/2013)².
- 3.14 To adhere to State Aid rules it is necessary for the local authority to establish that the award of aid will not result in the undertaking having received more than €200,000 of De Minimis aid. Note that the threshold only relates to aid provided under the De Minimis Regulations (aid under other exemptions or outside the scope of State Aid is not relevant to the De Minimis calculation).

3.15 Other Reliefs for 2017 Revaluation

The Government introduced a number of measures to provide additional relief to all ratepayers that may face increases in their rates bills following the revaluation.

- 3.16 **Transitional Relief** - Small Businesses that have a rateable value up to 28,000 will have any increase capped to 5% in the first year, Medium Businesses with a rateable value of between 28,001 and 100,000 will have any increase capped to 12.5% and Large Businesses with a rateable value greater than 100,000 will have any increase capped at 42%.
- 3.17 **Small Business Relief** – The rateable value threshold where small businesses qualify for 100% relief has been doubled from £6,000 to £12,000 with a taper between £12,000 to £15,000 that will receive a pro-rata percentage reduction. The threshold where businesses pay the lower Small Business Multiplier has increased from £24,999 to £51,000.
- 3.18 **Small Business Rate Support Scheme** – As part of the budget announcement the government introduced an additional relief for small businesses to cap the level of increase in their bills to a maximum of £50 per month or £600 per year. The Government has provided some additional guidance to enable implementation of the scheme; however we need to obtain

the appropriate software in order to effectively administer the scheme on the Open Revenues system. We have already identified the ratepayers that will qualify for the scheme and have taken steps to hold any recovery action against them if they are unable to pay the amounts demanded. As soon as the software is available we will be able to award the relief and issue new bills accordingly.

- 3.19 **Public Houses** – A further announcement in the budget was to provide £1,000 to pubs that have a rateable value less than £100,000. We have so far awarded this relief to 94 public houses and will continue to look at local businesses who may qualify for this relief.

3.20 **Summary & General Criteria**

The Government has made it clear that the design of the scheme will be left to individual Councils but that funding will only be provided up to the maximum levels shown in the table shown in paragraph 3.4. It is also assumed that the relief will be provided to the ratepayers or localities that face the most significant increases in bills for those ratepayers occupying lower value properties.

- 3.21 The funding for the scheme was determined by Government based on the national increases for properties with a rateable value of less than 200,000 where the value of the increase exceeds 12.5%. Since the upper rateable value of 200,000 was used by the Government for funding purposes we have in this paper adopted this to use as part of the general criteria for the relief.
- 3.22 The Government also made it clear that the relief should be aimed at supporting local economies and that state aid rules would apply when making any award of the relief. We have therefore excluded any company or other organisation with multiple rate accounts (three or more) that operates within or outside of the borough and also any public body that is listed as the ratepayer.
- 3.23 The relief will only be available for those organisations that were in occupation of the property on or before the 31st March 2017 and the property appeared in the 2010 Local Rating list as at the 31st March 2017, and also appeared in the 2017 Local Rating List as at the 1st April 2017..
- 3.24 In order to qualify for the relief the property must remain occupied from the 31st March 2017 and as soon as the property becomes vacant the relief will cease with effect from the date of vacation.
- 3.25 The amount of relief that is awarded will be amended where a qualifying ratepayer's 2017-2018 and, or 2016-2017 rates bill is amended for any of the following reasons, the amount of their relief will be reduced or removed accordingly:
- A change in rateable value in the 2010 and, or 2017 rating lists
 - The provision of a certificated value for the 2010 rating list or historical change
 - The application of any additional rate relief or exemption

- Any other adjustment to their liability

- 3.26 The relief will be calculated after any other exemptions and relief has been awarded and before the application of the Business Rate Supplement.
- 3.27 Organisations will not be required to complete an application form as the relief will be awarded automatically by the Council based on the qualifying criteria established. Ratepayers that are not awarded the relief can ask for a review of their circumstances to see if they are eligible to receive the relief.
- 3.28 Analysis shows that out of the 16,057 ratepayers as at the 1st April 2017 8,658 saw their rates increase in a range of 1p to £2,618,700, with the total increase being £48,601,115.

A total of 3,782 ratepayers saw no change in their rates payable and 3,617 saw a decrease in their rates payable with values ranging from 1p to £570,903 with a total amount of £7,222,651.

- 3.29 Based on the general criteria in 4.2 to 4.6 we have identified a total of 3,607 ratepayers that have seen an increase in their rates payable for 2017-2018 when compared to the amounts payable for the previous financial year. The percentage increases range from 0.06% to in excess of 1,000% with the values ranging from £1.40 to £26,746.01.
- 3.30 The Government has set financial limits on the amount available for years 1 to 4 with no relief in year 5. The scheme will need to be fixed for the four year period based on the increases identified as at the 1st April 2017.

3.31 Option 1 - Fixed Amount

- 3.32 A fixed amount is provided to each ratepayer depending on the actual amount of the increase as at the 1st April 2017. The increase is calculated by comparing the charge amount less any reliefs or exemptions for 2016-2017 against the same calculation for 2017-2018.
- 3.33 The following table shows the amount of relief that can be provided based on the percentage of increase they have experienced as a result of the revaluation.

A comparison is also shown where the annual increase exceeds £600 which is in line with the proposed relief provided by the Government for Small Business Rate payers. The estimates shown in years one to four are based on the amounts published by the Government as indicated in the table in paragraph 3.4.

Percentage of Increase	Year One ¹	Year Two ¹	Year Three ¹	Year Four ¹	Number of Ratepayers that would benefit
Any	£5,000.00	£1,100.00	£300.00	£35.00	3,607
5% +	£5,500.00	£1,100.00	£320.00	£37.50	3,523
7.5% +	£8,000.00	£1,700.00	£625.00	£80.00	1,612
10% +	£9,000.00	£1,800.00	£650.00	£90.00	1,513
12.5% +	£15,000.00	£2,400.00	£800.00	£100.00	1,214
15% +	£26,500.00	£4,000.00	£1,500.00	£175.00	726
£600 increase	£7,000.00	£1,550.00	£550.00	£80.00	1,619
Total Spend	£4,472,515.62	£2,253,124.02	£908,181.18	£125,091.85	£7,758,912.67
Tolerance	£301,484.38	£65,875.98	£46,818.82	£10,908.15	£425,087.33
Total Fund	£4,774,000.00	2,319,000.00	£955,000.00	£136,000.00	£8,184,000.00

3.34 Awarding a fixed amount is consistent with other schemes introduced by the Government such as the Retail Relief scheme and more recently the proposed scheme for Pubs. This would be simpler for the authority to administer by paying a fixed amount for each ratepayer regardless of the size of the rateable value or the increase experienced by each ratepayer.

3.35 The disadvantage to making a fixed award is that it will benefit more those ratepayers with smaller rateable values and smaller increases following the revaluation. For example the largest loser based on the general criteria had a 2016 rateable of 111,000 and would be £26,630.84 worse off after taking into account any reliefs granted. This equates to a 46% increase in the amount payable and an award of £5,500.00 would represent 18.7% of the increased amount. When compared to a ratepayer that had a rateable value of 61,000 that would be £4,998.29 this equates to an increase of 15.85% in the amount payable which is a third of the increase for the larger ratepayer. If a fixed award of £5,500.00 is made this would mean that the ratepayer is fully compensated for any increase within the first year.

3.36 Option 2 – Percentage Based on Increase

3.37 The relief is based on a percentage of the actual amount of the increase as at the 1st April 2017. The increase is calculated by comparing the charge amount less any reliefs or exemptions for 2016-2017 against the same calculation for 2017-2018.

¹ This is the maximum amount that ratepayers can receive based on their actual increase experienced at the time of revaluation. The fixed amount is capped to the upper limit and where the increase is less than this amount the maximum award will be the actual increase experienced

3.38 The following table shows the amount of relief that can be provided based on the percentage of increase they have experienced as a result of the revaluation.

A comparison is also shown where the annual increase exceeds £600 which is in line with the proposed relief provided by the Government for Small Business Rate payers. The estimates shown in years one to four are based on the amounts published by the Government as indicated in the table in paragraph 3.4.

Percentage of Increase	Year One ²	Year Two	Year Three	Year One	Number of Ratepayers that would benefit
Any	68.00%	33.00%	13.50%	2.00%	3607
5% +	69.00%	34.00%	14.00%	2.00%	3523
7.5% +	75.00%	38.00%	16.00%	2.00%	1612
10% +	77.50%	38.00%	16.00%	2.20%	1513
12.5% +	86.00%	42.00%	17.00%	2.40%	1214
15% +	100.00%	50.00%	20.00%	2.90%	726
£600 Increase	75.00%	36.00%	15.00%	2.10%	1619
Total Spend	£4,302,856.84	£2,088,151.11	£854,243.64	£126,554.61	£7,371,806.20
Tolerance	£471,143.16	£230,848.89	£100,756.36	£9,445.39	£812,193.80
Total Fund	£4,774,000.00	£2,319,000.00	£955,000.00	£136,000.00	£8,184,000.00

3.39 Awarding a percentage of any increase means that all ratepayers are treated equally and compensated consistently depending on the amount of increase that they have experienced. This means that all eligible ratepayers proportionally receive the same amount of assistance and relief.

3.40 General Conditions

3.41 Eligibility for the relief is determined based on a fixed list which has been extracted from the Council's Revenues system as at the 1st April 2017. This ensures that the amount of relief provided to ratepayers is maximised and kept within the allocation of resources provided by the Government.

3.42 There are 491 ratepayers where the increase is less than £100 and from an administrative and common sense perspective it would be prudent to exclude these cases from any award as such amounts are likely to be considered derisory in nature.

3.43 The scheme is fixed for a five year period based on the original list mentioned in paragraph 7.1. The relief provided in all years will not alter unless the circumstances in paragraphs 4.5 and 4.6 are applicable.

3.44 The relief will strictly apply to individual ratepayers that occupy the property stated and will not be transferable under any circumstances.

² This is the maximum amount that ratepayers can receive based on their actual increase experienced at the time of revaluation

3.45 The estimates and projections have a built in tolerance of 10% which will allow for appropriate amendments required as part of the scheme.

4. EQUALITIES IMPACT ASSESSMENT

- 4.1 There are no direct equalities issues, but that the policy will support small and medium sized local businesses.

5. COMMENTS OF THE CHIEF FINANCE OFFICER

- 5.1 The reduction in business rates income that would result from awarding this new discretionary relief will be met from a S.31 grant from central government, as long as the discounts awarded do not exceed the total allocation of £8.184m over the four year period 2017- 2022. The relief schemes being proposed are designed to ensure that this is the case. There should therefore be no direct financial implications on Council resources arising from this report.

6. LEGAL COMMENTS

- 6.1 National Non Domestic Rates (NNDR) or Business Rates is charged on all non-domestic properties and as a national scheme has been in place since 1990. The government is regularly required to update the 'rateable values' of business properties in England to make sure they are paying the right amount of rates. A business rates revaluation took effect on 1st April 2017 and as part of the Budget on 8th March 2017, the Chancellor announced that the Government would make available a discretionary fund of £300 million over four years from 2017-2018 to support those businesses that face the steepest increases in their business rates bills as a result of the 2017 revaluation.
- 6.2 There are a number of reliefs and exemptions available to help meet liability. These may be part of the national scheme or via local discretion which each local authority decides upon. Section 47 of the Local Government Finance Act 1988 gives discretionary relief powers to local authorities, specifically where "it is satisfied that it would be reasonable for it to do so, having the regard to the interests of persons liable to pay council tax set by it."
- 6.3 Section 47 requires the Council to maintain a Discretionary Rate Relief Scheme. The Council must have a Policy but the scale is discretionary and can be limited by appropriate factors as to what the Council wishes to support subject to Government Guidance. However, the discretionary fund that the Government is making available will be in the form of a grant made under section 31 of the Local Government Act 2003, specifically sub-section (1) which provides: provided to only support those ratepayers who are facing an increase in their bills following revaluation and this will be a condition of the grant. The Government further assumes that more support will be provided to:
- Ratepayers or localities that face the most significant increases in bills; and
 - Ratepayers occupying lower value properties
- 6.4 European Union competition rules generally prohibit Government subsidies to businesses. Relief from taxes, including non-domestic rates, can constitute state aid. The Council must bear this in mind when granting discretionary rate relief.

- 6.5 Rate relief for charities and non-profit making bodies is not generally considered to be state aid, because the recipients are not in market competition with other businesses. However, where other bodies receive relief and are engaged in commercial activities or if they are displacing an economic operator or if they have a commercial partner, rate relief could constitute state aid.
- 6.6 Relief will be State Aid compliant where it is provided in accordance with the De Minimis Regulations (1407/2013). The De Minimis Regulations allow an undertaking to receive up to €200,000 of De Minimis aid in a three year period (consisting of the current financial year and the two previous financial years).
- 6.7 For all Discretionary Rate Relief, the Council will need to ensure, as best as it can, that awards are in compliance with the De Minimis regulations.
- 6.8 There are a number of block exemptions to state aid (other than the de minimis exemption) under European Law particularly in respect of the assistance of SMEs. However, either option under the report does not fall within any of the exemptions as set down.
- 6.9 However, it is notable that the relief is intended to apply to all SMEs with a turn-over of less than £200,000. State Aid is prohibited on the grounds that it gives an advantage to one enterprise over another and therefore distorts the market place. However, given the fact that the Council intends to make the funds available to all SMEs of a certain class it is arguable that this does not distort the market place in any event. However, this may well not be an issue as in the first instance the De Minimis block exemption would have to be fully utilised.
- 6.10 As to Consultation, the Council must consider its common law duty and which imposes a general duty of procedural fairness upon public authorities exercising a wide range of functions which affects the interests of individuals (see *R (Moseley) v Haringey London Borough Council* [2014] UKSC 56, [2015 1 All ER 495 at [35] per Reed LJ and the consultation must comply with the following common law criteria:
- (a) it should be at a time when proposals are still at a formative stage;
 - (b) the Council must give sufficient reasons for any proposal to permit intelligent consideration and response;
 - (c) adequate time must be given for consideration and response; and
 - (d) the product of consultation must be conscientiously taken into account.
- 6.11 The duty to act fairly applies and prior to undertaking a consultation exercise, consideration must be given to whether the matter to be consulted on impacts on those with protected characteristics. If it does then the method of consultation should be adapted to ensure that those persons are able to respond to the consultation so as to inform the decision making process. For example, if a group of persons with a protected characteristic is a 'hard to

reach' group then they may not be reached by traditional consultation techniques.

- 6.12 When deciding whether or not to proceed with the proposals, the Council must have due regard to the need to eliminate unlawful conduct under the Equality Act 2010, the need to advance equality of opportunity and the need to foster good relations between persons who share a protected characteristic and those who don't (the public sector equality duty)..

7. ONE TOWER HAMLETS CONSIDERATIONS

- 7.1 Any financial assistance to local ratepayers will support economic growth and help local businesses to continue to trade and create local employment.

8. BEST VALUE (BV) IMPLICATIONS

- 8.1 This proposal will give small and medium local businesses financial support to help alleviate the effect of the increase in rateable values as a result of the 2017 revaluation with all costs being met by central government. The options presented should ensure the most efficient and effective distribution of the funding.

9. SUSTAINABLE ACTION FOR A GREENER ENVIRONMENT

- 9.1 There are no SAGE implications arising from this report.

10. RISK MANAGEMENT IMPLICATIONS

- 10.1 There is a risk that the government funding will be insufficient to meet the full cost of the scheme. The budget for and impact of this policy will be monitored regularly to ensure spending is within the S.31 grant allocation from central government.

11. CRIME AND DISORDER REDUCTION IMPLICATIONS

- 11.1 There are no crime and disorder implications arising from this report

12. SAFEGUARDING IMPLICATIONS

- 12.1 There are no safeguarding implications arising from this report.
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Linked Reports, Appendices and Background Documents

Linked Report

None

Appendices

"2017 Revaluation – Discretionary Relief for Business Rates"

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

None

Officer contact details for documents:

N/A

<p>Cabinet</p> <p>19 September 2017</p>	
<p>Report of: Debbie Jones, Corporate Director, Children's Services</p>	<p>Classification: Unrestricted</p>
<p>Planning for School Places – 2017/18 Review</p>	

Lead Member	Councillor Amy Whitelock Gibbs, Cabinet Member for Education, Children's Services and the Third Sector
Wards affected	All
Key Decision?	No
Community Plan Theme	A Fair and Prosperous Community

Executive Summary

The Council has a statutory duty to provide sufficient school places for the local population. In Tower Hamlets the school age population is rising and this is projected to continue. The Council has to plan to meet the need.

This report is the annual review of planning for school places. This sets out the projections for the next 10 years, the additional capacity required to meet the need, and plans in place and in development to meet the need.

Where a new school is to be opened to meet need for places, there are requirements for commissioning the school provider.

Recommendations:

The Mayor in Cabinet is recommended to:

1. To note the contents of this report and the progress made in meeting the need for additional places;
2. To note that proposals for specific schemes will be subject to separate consultation and procedures and Cabinet decisions;
3. To note the proposed review of the pattern of primary school provision and the proposed consultation on issues relating to the distribution of places across the borough;
4. To confirm to the LLDC that the Council does not intend to proceed with the development of a new primary school at Neptune Wharf but wishes to work jointly to review the future need for primary places in the area (para

3.11).

5. Agree to defer development work on the scheme at London Dock until a further review of projected demand for secondary places has been conducted and to progress the design development of the scheme at the Westferry Print works site with a view to opening a 6FE secondary school in September 2021.

1. REASONS FOR THE DECISIONS

- 1.1 The Council has a statutory duty to provide and plan for school places. The report sets out the 2017 projections of need and proposals to meet the need.
- 1.2 Planning for school places has to be kept under review to ensure there are proposals to meet the projected need which can be implemented in time to meet the need. The rising trend of need continues although with variations from year to year.
- 1.3 The Council (also referred to in the report as the local authority or “LA”) has proposals in place to meet the need and these can require long term planning to implement. Decisions are required in time so that the programme of providing places can continue and have certainty to meet the need. Where decisions are not made in time, there may be a need for additional short term measures to ensure children can be offered a school place. These measures, such as bulge classes, can be difficult to implement and are not a sustainable approach to providing places. Such measures can be used for primary places but will not be suitable for secondary schools

2. ALTERNATIVE OPTIONS

- 2.1 The Council has to comply with its duty to provide school places. Some of the need for places is being met by the establishment of free schools which are decided by the Secretary of State. However, the majority of proposals for new places will be initiated by the Council. This report includes options for the programme of meeting need for places.
- 2.2 Where the Council has not made sufficient plans to ensure permanent places are available when needed, short term proposals may be needed which may be less cost-effective by reliance on temporary buildings.

3. DETAILS OF REPORT

- 3.1 The LA has a statutory duty to provide sufficient school places for the local population. There is a rising need for more school places in Tower Hamlets.

Projections of the need for places

- 3.2 Projections of the need for school places are provided by the GLA which uses a standard model for the majority of London LAs. The GLA uses housing development data provided by each borough for the borough level projections. The projections are shown to have a good level of accuracy in the short term. The trends over the 10 year projection period can fluctuate in each annual round of projections. This can reflect the most recent birth data and variations to housing data.
- 3.1 The projections for 2017 show a continuing rise in need for places at both primary and secondary. However, the trend for the growth in primary need continues to be adjusted downwards in comparison with previous years. The effect of this is a surplus of primary capacity in the short to medium term. This surplus exceeds the margin which it is reasonable to allow for the exercise of parental preference and to meet any unforeseen need. The 2017 projections of demand for places in both primary and secondary sectors with available and planned school capacity are included in the Appendix.
- 3.3 The total number of actual births in 2016 was close to the levels of the previous three years which therefore limits the increase in projected need for school places 5 years later. However, it should be noted that in the longer term the birth rate is projected to continue to rise. The school roll projections also reflect continuing levels of new housing development, although the impact of this is 8-10 years in the future.
- 3.4 The LA should continue to take a cautious approach to planning for additional school capacity. Whilst the projections of need are now showing a slower rate of increase at primary, it is possible that this could vary again either upwards or downwards in the future. For primary places, the projections beyond 2020/21 relate to projected rather than actual births so are less reliable than the short to medium term projections based on actual birth data.
- 3.5 In the period 2016/17 to 2026/27 the total school roll of 4-16 year olds is projected to rise by 5,500, an increase of 15%. This comprises approximately 1,500 primary pupils and 4,000 secondary pupils. This forecast which is lower than that forecast in previously, reflects both the recent levelling of the birth rate and the increase already experienced in the numbers moving from primary into secondary provision.
- 3.6 It is projected that there will be 367 more Reception aged pupils in 2026/27 than in 2016/17. This means that taking account of additional capacity already planned, there is sufficient until 2025/26 but with 6FE being required the following year.**
- 3.7 It is projected that there will be 741 more 11 year olds in 2026/27 than in 2016/17. This means there will be a need for 20FE of more secondary capacity, with 15FE needed by 2022/23.**

ACTION TAKEN TO PLAN FOR EXTRA SCHOOL PLACES

Primary Schools

3.8 Previous annual reports have detailed the range of activities undertaken to provide additional capacity and to continue to investigate options for new capacity. The progress and further actions in the primary sector since the last review are as follows:

EXPANSION PROPOSALS AND EXISTING SITES	
*Olga Primary School expansion from 1FE to 3FE	Phased implementation of expansion - 1FE from September 2016 and additional 1FE from September 2017
Former Bromley Hall Special School site	Agreed by Cabinet 13 May 2015 to be used for 2FE of primary capacity. To be proposed for deferral (Cabinet - 31 October 2017).
*Former Bow Boys' School site – proposed Bow Primary School	To be developed for 3FE of primary capacity, but with the school opening in September 2019 as 1FE only. Surplus capacity in the new building would be used to address other high priority service needs, prior to the demand for the full 3FE being required.
STRATEGIC DEVELOPMENTS – site allocations secured in the strategic planning process	
Bromley by Bow district centre	Primary school. Development timetable to be confirmed. LLDC reviewing masterplan.
Fish Island (Mid)	Site allocation for a primary school at Neptune Wharf. Planning application approved by LLDC in March 2014 includes outline permission for a 3FE school. The s. 106 requires LBTH to develop a school specification and design within 2 years of start on site in summer 2015 and exercise the option to develop within 5 years of this date.
Fish Island East, Sweetwater (within LLDC area)	Primary school. Originally 3FE school proposed in Legacy masterplan with a new secondary school elsewhere in the area. It is now proposed to open an all-through school, the Bobby Moore Academy, from September 2018. The school will have 1,560 pupils in total with 60 places for Reception and 180 for Year 7. Although the primary site is in Tower Hamlets,

	the secondary site is in LB Newham and is the principal address of the school. The school is formally in LB Newham and is not now shown as proposed capacity in LBTH although accessible to Tower Hamlets residents. The impact of this primary provision on the pattern of applications to Tower Hamlets schools will be monitored from September 2018, to assess whether it causes a significant reduction in demand for in-borough provision.
Wood Wharf	2FE primary school included in the proposals (s. 106 agreement December 2014). LBTH has worked with CWG on detailed planning application. Cabinet on 31 October will be asked to agree to enter into an Agreement for Lease and approve a capital allocation to fit out the shell and core building provided by CWG. Commitment to this scheme is required earlier than might be the case for a scheme constructed wholly by LBTH in order to give comfort to CWG to allow them to commence enabling works in January 2018. Anticipated school opening date September 2022.
Bow Common and Leven Road Gas Works sites	Primary school site allocation at both sites. Development timetable to be confirmed.
Ailsa Street	Primary school site allocation. See above, former Bromley Hall School site
Site at 3 Millharbour	2FE primary school included in the proposals. Planning consent issued. Land and development agreement completed. Anticipated school opening 2023.
50 Marsh Wall, Alpha Square	Planning application determined by Mayor of London. 2FE primary school included in the scheme. Details of how this will operate and anticipated opening date tbc.

* = capacity shown on Appendix A tables

- 3.10 Where development sites have been secured through the strategic planning process, the development timetable is in the hands of the developers. The school sites will be secured through planning obligations (s. 106 and CIL). The Council will develop and fund the school accommodation and arrange the commissioning of the school operators. In addition to site allocations, the Council has negotiated capacity for primary school accommodation in major residential developments, subject to planning consents. These have or will be secured through s. 106 agreements. The developer will provide the “shell

and core” and the LA will fund and procure the fit out for opening. The development’s s. 106 financial contribution or CIL payment is adjusted to reflect the provision.

- 3.11 The Neptune Wharf (Fish Island Mid) primary school site allocation was secured and the developer has obtained the outline planning application. The development commenced in summer 2015. The section 106 agreement allows the Council 5 years from the start of development to bring forward the detailed proposals for the school (including planning consent) in order that it can exercise the option to take the lease of the site. The Council can take the lease of the site at nil rent but is responsible for fully funding the cost of building the new school. In order to secure the site, the Council would have had to submit a School Specification and Details Guide to the LLDC within 2 years of commencement (i.e. by summer 2017). This in effect required a substantial level of detail towards the requirements for a full planning application. The revised trend of primary projections referred to earlier in the report now shows that a new school in this location is not required within the timescale provided for within the S106 agreement and it has therefore not been the best use of the available resources to proceed with the development proposals to meet the time constraint. It is therefore recommended that the Council confirms to LLDC that it does not intend to exercise the option for the school on this site. Given the changing rate at which primary yield from housing development is growing, however, it is further recommended that the Council seeks to work jointly with the LLDC to keep the need for provision of primary places on this site under review up to 2020. At this stage, the S106 agreement allows the LLDC to bring forward a school proposal if it wishes to do so. If neither party brings forward a school, the developer will pay a S106 contribution in lieu to the LLDC and will be able to put forward alternative development proposals for the site. In these circumstances the Council would press the LLDC to direct the S106 contribution to addressing capital investment needs in other local schools.
- 3.12. The LA continues to investigate further options for school expansions and other site options. Based on the 2017 projections, no new primary expansion schemes will be started for the time being, other than those already in hand. It is proposed that the previously stated intention to open a 3FE primary school at the Former Bow Boys’ School site in September 2019 be progressed, but that the full capacity of the school should not be brought into use until demand for the additional places has demonstrably materialised. This approach will minimise any destabilising impact on other local primary provision. It should be noted that across the 13 schools in the vicinity of the proposed Bow Primary School site, approximately 100 reception class places (14%) remain unfilled at the start of the autumn 2017 term.
- 3.13 There may be further opportunities for new primary schools as part of a larger development such as is proposed at Wood Wharf and 3 Millharbour (where the school is on the lower floors of a building with residential use above).

Secondary Schools

- 3.14 Previous annual reports have detailed the range of activities undertaken to provide additional capacity and to continue to investigate options for new capacity. The progress and further actions in the secondary sector since the last review are as follows:

STRATEGIC DEVELOPMENTS – site allocations secured in the strategic planning process	
London Dock	Site allocation for a 6FE secondary school. Planning application approved March 2014 includes outline permission for a school. LBTH has 10 year period to exercise the option to develop the school. The design and programme are in development and could be the subject of a decision to proceed as early as October 2017 with a projected opening date of September 2020.
Westferry Printworks site	Site allocation for a 6FE secondary school. Planning application determined by Mayor of London includes site for the school. Section 106 agreement completed which allows LBTH to take a lease and develop the school site or to agree that the DfE should develop it for a free school. Liaison with the DfE over the development of this site has generated discussion of potential routes for determining the provider of the education service, which would have implications for delivery of the accommodation and funding of the capital cost of the scheme.

None of the capacity arising from the schemes in this table is included in Appendix A figures

- 3.15 Due to the projected slow-down in increased numbers coming through from the primary sector and the capacity available up to 2021/22, it is now not proposed to move into the procurement stage on the London Dock project until a further full round of projections has been completed. The earliest potential opening date would be September 2021, if a decision was taken to proceed following the 2018 round of projections of demand, in September 2018.

- 3.16 In relation to the Westferry site it is proposed that Tower Hamlets plans to take up the lease proposed and progress the design development and procurement of the building in line with the approved planning consent, with a view to opening the school from September 2021. This is proposed in preference to implementation of the London Dock scheme, as the centres of demand for additional secondary provision are closer to the proposed Westferry site than the London Dock site in Wapping. This timescale would require the Council to undertake a Free School Presumption exercise early in 2019 to identify a preferred education provider for recommendation to the Secretary of State for Education.
- 3.17 Whilst projections of demand for secondary places indicate that there will be a shortfall of places in the intake year (Year 7) from September 2018, if we take account of possible temporary expansions ('bulge' provision) and the ability of schools to accommodate additional Year 7 students within capacity arising from smaller cohorts in Years 8-11, it is likely that current capacity can be managed to meet projected demand until 2021 when Westferry would come on stream. In addition, Cabinet will be aware that the approval of new Free School provision by the Secretary of State has the potential to increase capacity in this interim period. The proposed all-through school at the former LMU site in Aldgate (Livingstone Academy – see paragraph 3.20 below) is scheduled to open in September 2019, subject to planning and these places are not yet included in the capacity data.
- 3.18 Whilst the provision of additional secondary places in the short-term needs to be monitored closely, the projections clearly demonstrate that additional sites will be needed to meet future demand beyond 2027. Further secondary school sites are likely to be required, providing a more serious challenge than primary, because of the size of the accommodation required.
- 3.19 There are implications for school capacity, both primary and secondary, arising from the strategic planning work being undertaken to develop the new Local Plan and from the Isle of Dogs and South Poplar OAPF (opportunity area planning framework). The need for additional school capacity is included in the development work to identify the social infrastructure required to support development and potential site allocations for new schools have been included in the Local Plan proposals for consultation.

Free Schools

3.20 In addition to the LA's proposals for additional capacity, free schools agreed by the Secretary of State contribute to the local supply of places. Free school proposers can apply direct to the Secretary of State who decides on the schools to be agreed. Creation of additional capacity outside the Council's control adds to the difficulties of planning. The current position with free schools in Tower Hamlets is:

*Canary Wharf College, East Ferry Road	Opened in September 2011, 40 places per year (primary)
*Wapping High School, Commercial Road	Opened in September 2012, 81 places per year (secondary)
*Solebay Primary School, Solebay Street	Opened in September 2012, 50 places per year, now operates at 60 places per year.
City Gateway	Opened in September 2012, 14-19 provision
*Canary Wharf College 2	Opened in September 2014, 40 places per year (primary). Occupying temporary accommodation. Permanent site in Glenworth Road, E14 in development.
*London Enterprise Academy, Commercial Road	Opened in September 2014, 11-16 school with 120 places per year.
East London Academy of Music	Opened in September 2014 in temporary accommodation in E15, 16-19 with up to 300 places. Now moved to new permanent accommodation in Maltings Close, E3.
Mulberry UTC (University Training College)	14-19 provision, specialising in healthcare and medical services, and digital technology. Opened(?) in September 2017, Parnell Road, E3
*Canary Wharf College 3	Approved for opening September 2015 but deferred to September 2016. Originally approved as an all-through Christian faith school with 1330 places, opened in temporary accommodation for secondary only with 40 Year 7 places for September 2016. Permanent accommodation and planned capacity to be confirmed.
Livingstone Academy East London	Approved for opening in September 2019. All-through, mixed, non-faith school with 1,570 places, specialising in computing and sciences. Proposed location at the former LMU site in Aldgate, subject to planning consent. LBTH has stressed to the

	DfE that there is no need for primary places in this area of the borough.
Mulberry Boys' School	Approved in September 2016 for pre-opening stage. No identified site or proposed opening date.
Mulberry Primary School	Approved in April 2017 for pre-opening stage. No identified site or proposed opening date. If located near to the existing Mulberry School for Girls, this will be in an area where LBTH has not identified a need for places, as above for Livingstone Academy.

* = capacity shown on Appendix A tables

Future projections of demand and changes in capacity in the primary sector – Proposed review of the location of school places

- 3.21 Appendix A also includes maps which show the distribution across the borough of projected growth in need for primary and secondary places. This is based on population, as opposed to roll projection, data so the distribution better reflects where children live and where the higher levels of new housing will be, rather than where schools are located. Secondary age pupils can be expected to travel further to school so the location of a new school is not necessarily as closely associated with centres of rising population as for primary schools.
- 3.22 It is already well known that in the borough there is east-west variation of primary schools with unfilled places and the intensity of housing development. The Appendix maps show projected need by 2021/22 showing the concentration of areas where additional capacity is required and the areas with excess capacity. There is a significant widening of the surplus/deficit variance from the 2016/17 data.
- 3.23 The LA is very mindful of the destabilising effect of unfilled capacity in schools. The extent of excess capacity has the potential to be exacerbated by actions of the Secretary of State for Education in agreeing the opening of new free schools where there is no need for the places.
- 3.24 The LA therefore proposes to initiate a review of primary school provision to consider all the issues with stakeholders and formulate proposed actions to seek to ensure that the provision meets the needs of the local population. The first stage will involve extensive data gathering and to be followed by consultation on the issues which could be taken into account in the review. The data collection stage will collate information by school to include:
- Location and proximity to other schools
 - Size
 - Character (VA, community, academy)
 - Ofsted status and standards

- Unfilled capacity; any trends (eg. decreasing cohort size moving through the school)
- Recruitment/catchment area – i.e. recruitment from nearby/distance
- Popularity/over-subscription
- History of expansion
- Building condition and suitability (eg. below standard external areas)
- Early years/nursery class capacity
- SEND provision
- Site capacity for cost-effective rationalisation, amalgamation or expansion
- Local area projections of need for places
- Local area anticipated residential development

3.28 The data collected will be issued in a round of consultation so that all stakeholders are able to see information on this complex picture of provision and local issues. The consultation would include the range of potential considerations that may be taken into account in the review and stakeholders views on them. These considerations could include:

- Reducing the number of 1FE schools and schools with 0.5FE
- Ensuring that the diversity of choice for parents is not reduced
- Ensuring sufficient places will be available to meet projected need
- Travel distances to school are not substantially increased or made disproportionate in any area
- Priority for new capacity to be provided in areas with higher levels of new housing development
- Issues for teacher and senior leadership recruitment and retention – eg. small schools

3.29 When the stakeholder engagement has reached a level of consensus on the considerations to inform any proposals to redistribute capacity, various options for schools or groups of schools will be put forward for further consultation. These options may include closure or amalgamation of schools and will take into account the anticipated costs and benefits in each case.

Commissioning new school places

3.30 LAs have a statutory duty to provide sufficient school places. Changes to the law in recent years have emphasised the role of LAs as commissioners of school places rather than the provider. The option to open a new community school where a new school is needed is the last alternative after others have been exhausted. Where the LA identifies the need for extra school capacity, it is the LA's responsibility to fund the capital costs of the expansion or new school, including securing the site for a new school.

3.31 Where the need for a new school is identified, LAs are not able to open a new community school. The 2011 Education Act introduced the "free school

presumption”. (NB. free schools and academies are legally the same type of school).

- 3.32 The “free school presumption” process involves the LA setting the specification for the school. This includes the size and type of school and the community it is to serve. The selection of the school operator is based on the specification and so this is an important document.
- 3.33 The LA seeks expressions of interest from approved free school or academy providers, following a procedure set out by the DfE. The LA evaluates the bids and submits them to the Secretary of State. The decision on the appointment of a provider is taken by the Secretary of State, delegated to the Regional Schools Commissioner, who will then enter a funding agreement with the appointed provider. Existing academies or free schools are able to bid to operate new schools, providing they have obtained approved provider status from the DfE.
- 3.34 The LA must set its specification for the new school before it seeks the expressions of interest. This is the key document to ensure that a provider is appointed who can deliver the specification. The specification will set some key matters in addition to the basic details such as the size of the school and opening date. These include the need for a strong education vision, engagement with the local community, providing inclusive education and support for all children and operating as the local school for the community. The Tower Hamlets specification will include a requirement to support THE Partnership.
- 3.35 A number of the proposals referred to in this report will require the free school presumption process to be followed for the appointment of a provider.

Funding Considerations

- 3.36 The principal source of capital funding for providing additional school places is the DfE basic need capital grant. The DfE has confirmed the funding for the period of 2017/18 – 2019/20 of £10.5m. The funding is allocated on a three year rolling basis. It is formula based and does not reflect post-16 need or specific SEN growth. Because of the fluctuating trend of need, there is no new funding allocated for 2018/19 and 2019/20.
- 3.37 The capital programme of new school capacity is supported by use of s. 106 receipts which have been secured to mitigate the impact of new housing developments. Significant sums have been agreed but not yet received. There is no certainty about receiving the full value of the agreed sums as this will depend on the developers’ programmes so this presents some difficulties in planning use of the receipts.
- 3.38 The Council adopted its CIL (Community Infrastructure Levy) charging from April 2015. This replaces s. 106 payments for the mitigation of the impact of new developments on school provision. The Council’s Infrastructure Delivery Plan (IDP) identifies the need for additional school places as part of planning

the overall social infrastructure. Children's Services and Place Directorates continue to work together on the longer term infrastructure planning.

- 3.39 When the funding strategy for new school projects is being developed, these funding sources will be considered and decisions recommended through the governance arrangements.
- 3.40 This report has discussed the impact of the slowing of the rate of increase in need for primary school places. Given the need to plan for funding new secondary provision, it is prudent not to incur expenditure on primary capacity where funding will be required for a new secondary school. The changing trend of primary need will be reflected in the formula allocation of basic need capital grant from the DfE in future years.

4. COMMENTS OF THE CHIEF FINANCE OFFICER

- 4.1 This report is drawing attention to the regulatory framework for school place planning and how this can impact on site disposal or development proposals beyond the education estate. Decisions on site disposal or development will have various financial implications particular to the circumstances.
- 4.2 Meeting the Authority's statutory duty with regard to providing sufficient school places will require significant additional resources, as has been advised in previous reports on school place planning. The cost of a form of entry (FE) for primary will be approximately £6.5m (with up to an additional 4 primary FE needed over the next ten years) and a secondary FE is also estimated at £6.5m (with an expected 24 FE required over the next ten years). This points to an estimated cost of £182m at current prices to fund the additional capital costs over the next ten years.
- 4.3 The £10.5m capital funding identified from the Department for Education for 2017/18 to 2019/20 will assist, as will the creation of additional places through the establishment of free schools. Nonetheless, DfE capital does not necessarily cover London costs, nor does it cover site acquisition costs. The LA has agreed s.106 contributions which are used to support the provision of additional education facilities arising from new housing developments. These will be supplemented by the Community Infrastructure Levy (CIL) charges implemented by the Council from 2015. However, the flow of contributions depends on development activity so is outside the Council's control.
- 4.4 At this stage it is not possible to guarantee that sufficient capital resources in the form of Basic Need Grant or S106/ CIL contributions are available to meet the estimated costs of c £182m. The Council's capital strategy will need to consider therefore, in the context of its capital priorities, how any estimated gap will be addressed in order to meet its statutory obligations for providing sufficient school places.
- 4.5 Schools will be responsible for any ongoing revenue implications arising from the expansion. The Dedicated Schools Grant (DSG) will fund the schools for

the additional expansion class pupils via the revenue "growth fund" (agreed by the Schools Forum). The "growth fund" is agreed annually by the Schools Forum and funded through a top-slice from the DSG. It should be noted that different arrangements apply to some academies and free schools, who are funded by the EFA based on estimated numbers with funding recouped from the DSG allocation. At present there are General Fund costs in the region of £1m associated with transporting (or providing travel support) for individual pupils where school places are not nearby. Changes to the admissions arrangements will ease that pressure, as will any efforts to provide additional school places.

5. LEGAL COMMENTS

- 5.1 Section 14 of the Education Act 1996 places a general duty on local authorities to secure sufficient primary and secondary schools in their area. Schools will be regarded as sufficient if they are sufficient in number, character and equipment to provide for all pupils the opportunity of appropriate education. Appropriate education means education which offers such variety of instruction and training in view of pupils' different ages, abilities and aptitudes and the different periods for which they may be expected to remain at school, including practical instruction and training appropriate to their different needs.
- 5.2 Section 14(3A) of the Education Act 1996 requires the Council to secure diversity of provision of schools and increasing opportunities for parental choice. The Council must consider and respond appropriately to parental representations about school provision in relation to its functions under section 14 of the Education Act. The Council should give reasonable consideration to parental representations regarding the provision of schools in their area including outlining any proposed action to meet concerns raised about such provision.
- 5.3 Under section 6A of the Education and Inspections Act 2006 (inserted by paragraph 2 of the Schedule 11 to the Education Act 2011) and government guidance, any new school being set up must be an academy or a free school 'the academy/free school presumption'. There is a set process for the identifying the need for a new school. A Local Authority may seek proposals for a new academy and must inform the Secretary of State of the outcome who will then choose one of the proposers. A Local Authority must run a competition if that process produces no suitable proposer. Accordingly, normally a Local Authority will not be able to publish its own proposals for a new community or LA foundation school.
- 5.4 This report demonstrates how Section 106 planning obligations and the community infrastructure levy (CIL) can secure land and funding to address the impact of new development on education. Whilst historically financial contributions were taken towards education under Section 106, following the adoption of the Council's Community Infrastructure Levy charging schedule in April 2015 monies towards education are now collected under CIL. In some instances infrastructure can be provided on site in lieu of the payment of CIL

and it is important that the Children's Services and Place Directorates continue to work together to address the best way of meeting the borough's needs through the planning system.

6. ONE TOWER HAMLETS CONSIDERATIONS

- 6.1 The LA has a statutory duty to ensure sufficient school places for local residents. Education is key to ensuring economic prosperity for the individual and for the community. The LA has a duty to ensure diversity of provision to enable parents to express their preference for a school place. These duties are taken into account in planning provision of school places. The plan to commission school places is universally applicable to children and young people of school age and there is unlikely to be unequal impact on different groups.
- 6.2 The LA has to plan for the overall social infrastructure to meet the needs of the rising local population. This informs the development of the Council's asset management and service planning to ensure that the required infrastructure is provided and that the competing needs are balanced.

7. BEST VALUE (BV) IMPLICATIONS

- 7.1 The report sets out proposals for meeting the need for school places. Proposals include making the best use of existing Council assets.
- 7.2 Implementation of capital schemes will be subject to competitive procurement. Proposals will be subject to consultation as they are developed and before implementation.

8. SUSTAINABLE ACTION FOR A GREENER ENVIRONMENT

- 8.1 The proposals to provide additional school places to meet the needs of the population will be implemented taking account of sustainable design standards and materials. As far as possible primary school provision is planned to ensure that children can access a local school place and so minimise impact on travel.

9. RISK MANAGEMENT IMPLICATIONS

- 9.1 The Council has a statutory duty to provide sufficient school places. In order to plan to meet this need projections are obtained annually and reviewed each year against the known school capacity. It is clear that the projections indicate that a significant rise in the need for places has to be planned for. There may be variations in the projections so the Council has to retain some flexibility in its ability to respond to the need.
- 9.2 The plans required to meet the need for school places can often require the balance of complex and competing considerations, for example for other social infrastructure requirements. Because of the long time that is required

to implement projects, decisions need to be taken in sufficient time to plan the use of resources and to identify shortfalls.

- 9.3 The Council has to manage the risk of failing to meet its statutory duties by having sufficient options available for implementation to meet the need and by keeping the changing circumstances under review

10. CRIME AND DISORDER REDUCTION IMPLICATIONS

- 10.1 There are no specific implications arising.

11. SAFEGUARDING IMPLICATIONS

- 11.1 The report deals with the Council's approach to providing school places for the local population. Ensuring the supply of good quality school places contributes to the safeguarding of children.

Linked Reports, Appendices and Background Documents

Linked Report

- NONE .

Appendices

- School roll projections 2017

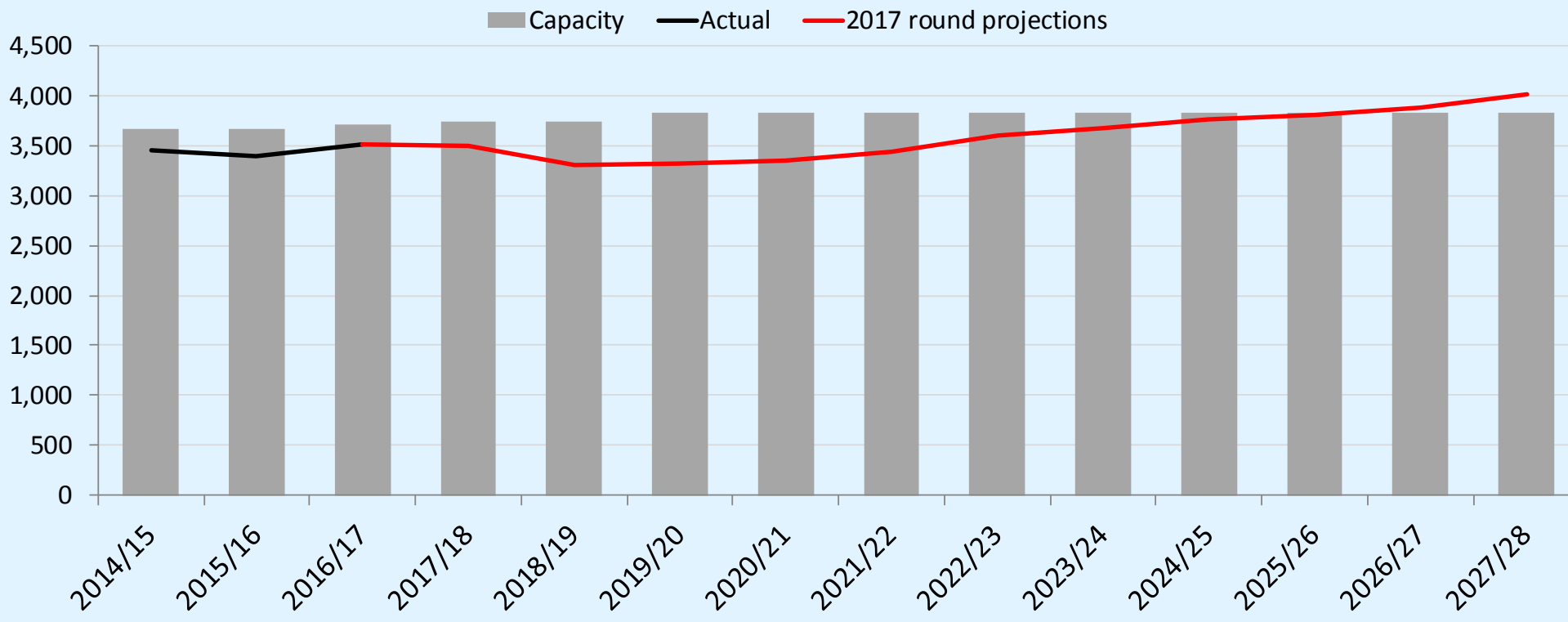
Background Documents – Local Authorities (Executive Arrangements)(Access to Information)(England) Regulations 2012

- NONE

Officer contact details for documents:

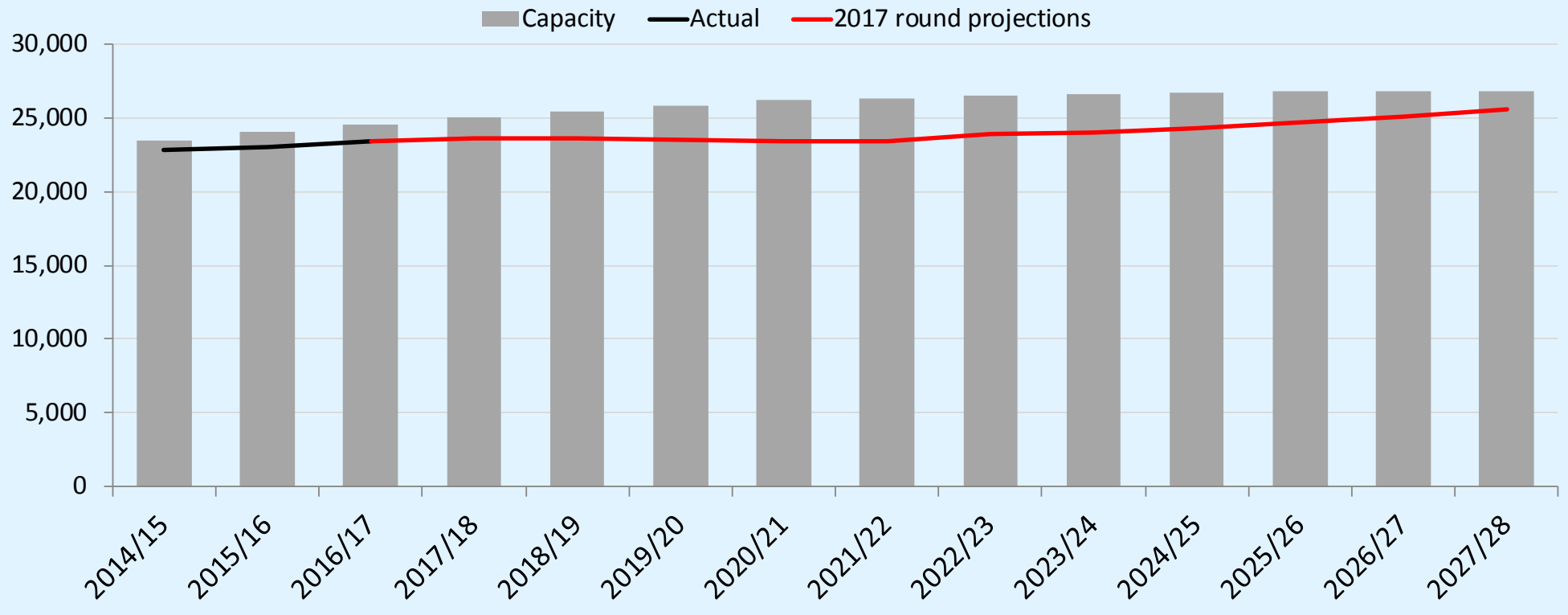
N/A

2017 School Roll Projections: Reception



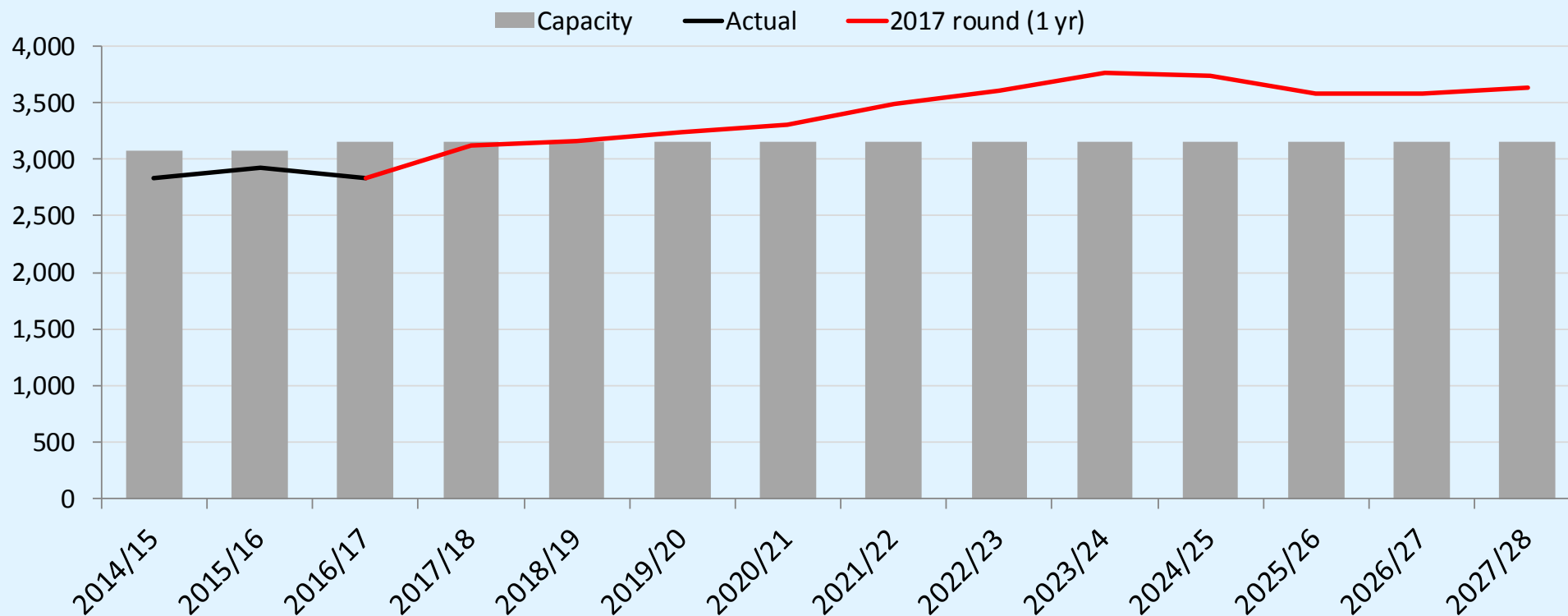
RECEPTION		2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
Actual		3,449	3,389	3,512											
2017 round projections					3,497	3,304	3,319	3,357	3,433	3,595	3,673	3,758	3,803	3,879	4,013
Capacity		3,670	3,670	3,710	3,740	3,740	3,830	3,830	3,830	3,830	3,830	3,830	3,830	3,830	3,830
Surplus/shortfall	Pupils	221	281	198	243	436	511	473	397	235	157	72	27	-49	-183
	FE	7.37	9.37	6.60	8.10	14.53	17.03	15.77	13.23	7.83	5.23	2.40	0.90	-1.63	-6.10

2017 School Roll Projections: Primary



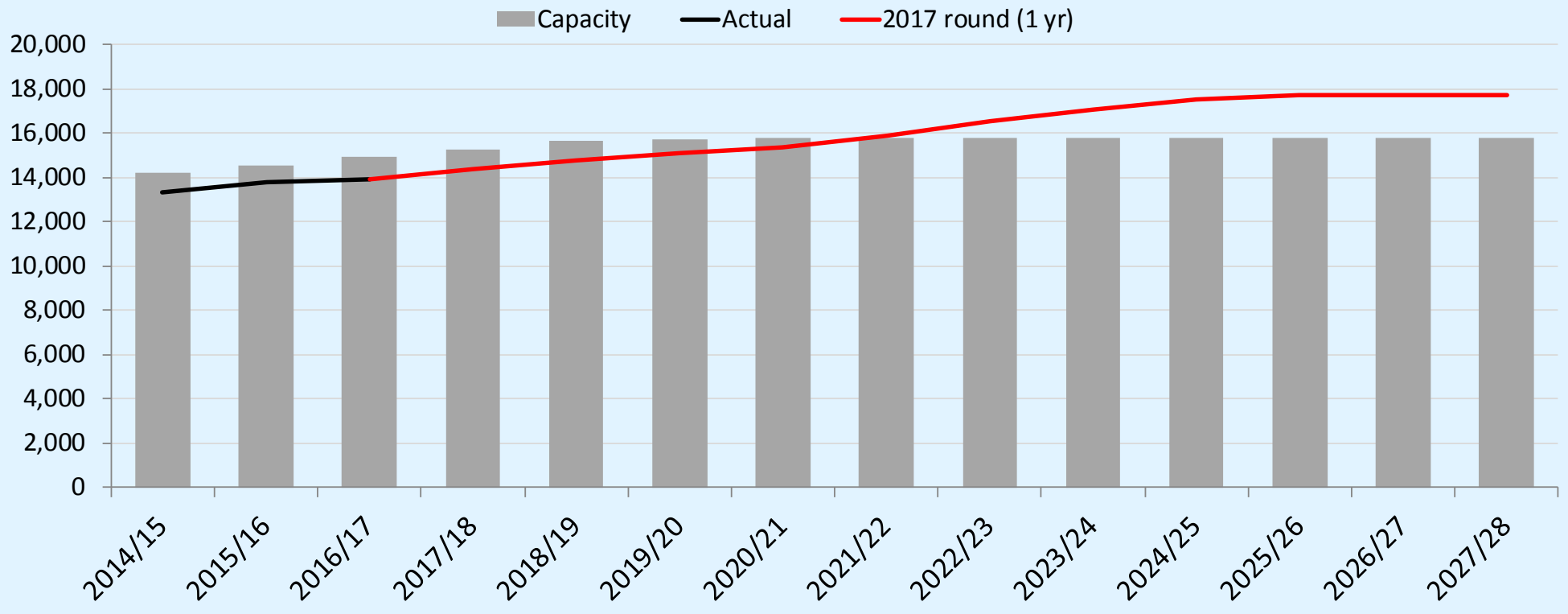
PRIMARY		2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
Actual		22,825	23,076	23,445											
2017 round projections					23,666	23,607	23,505	23,434	23,455	23,869	24,049	24,305	24,675	25,102	25,993
Capacity		23,517	24,056	24,587	25,038	25,452	25,836	26,190	26,350	26,510	26,630	26,720	26,810	26,810	26,810
Surplus/shortfall	Pupils	692	980	1,142	1,372	1,845	2,331	2,756	2,895	2,641	2,581	2,415	2,135	1,708	1,217
	FE	3.30	4.67	5.44	6.53	8.79	11.10	13.12	13.79	12.58	12.29	11.50	10.17	8.13	5.80

2017 School Roll Projections: Year 7



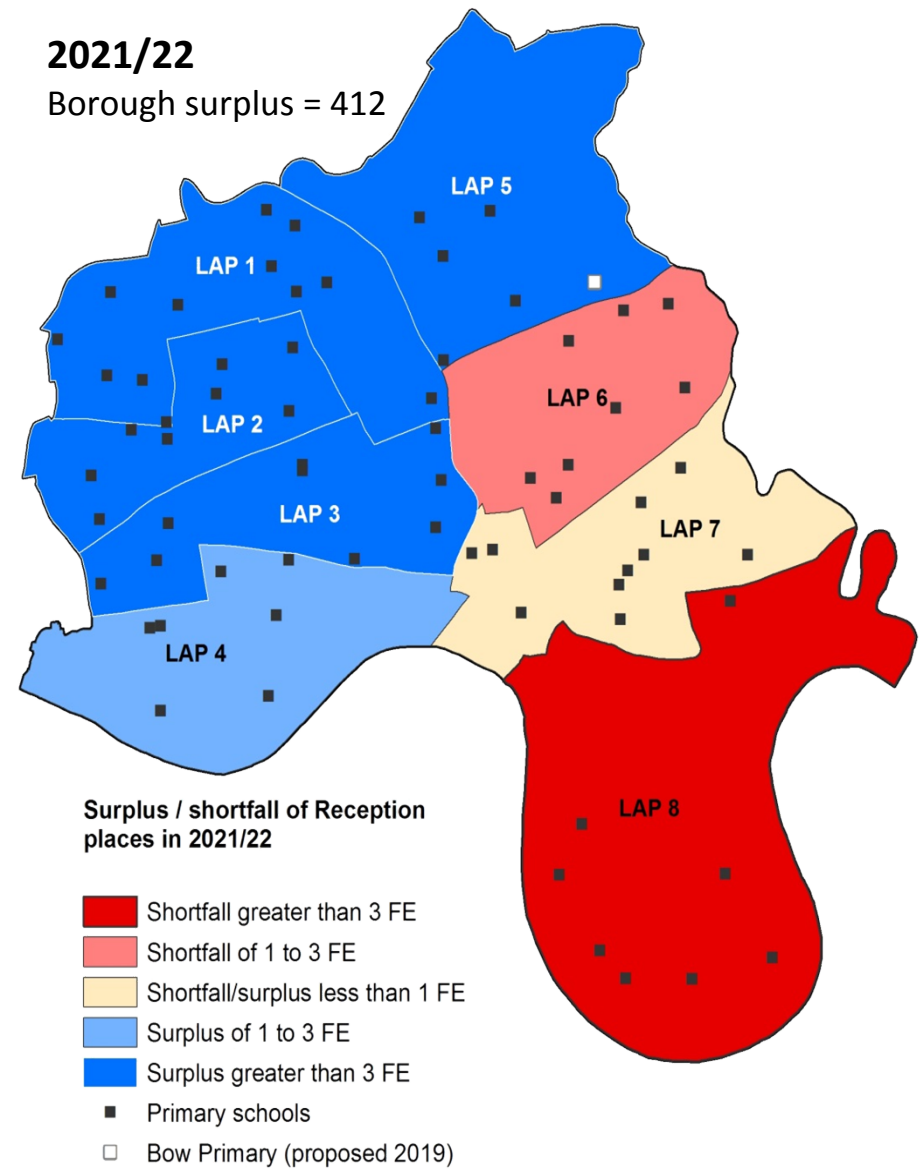
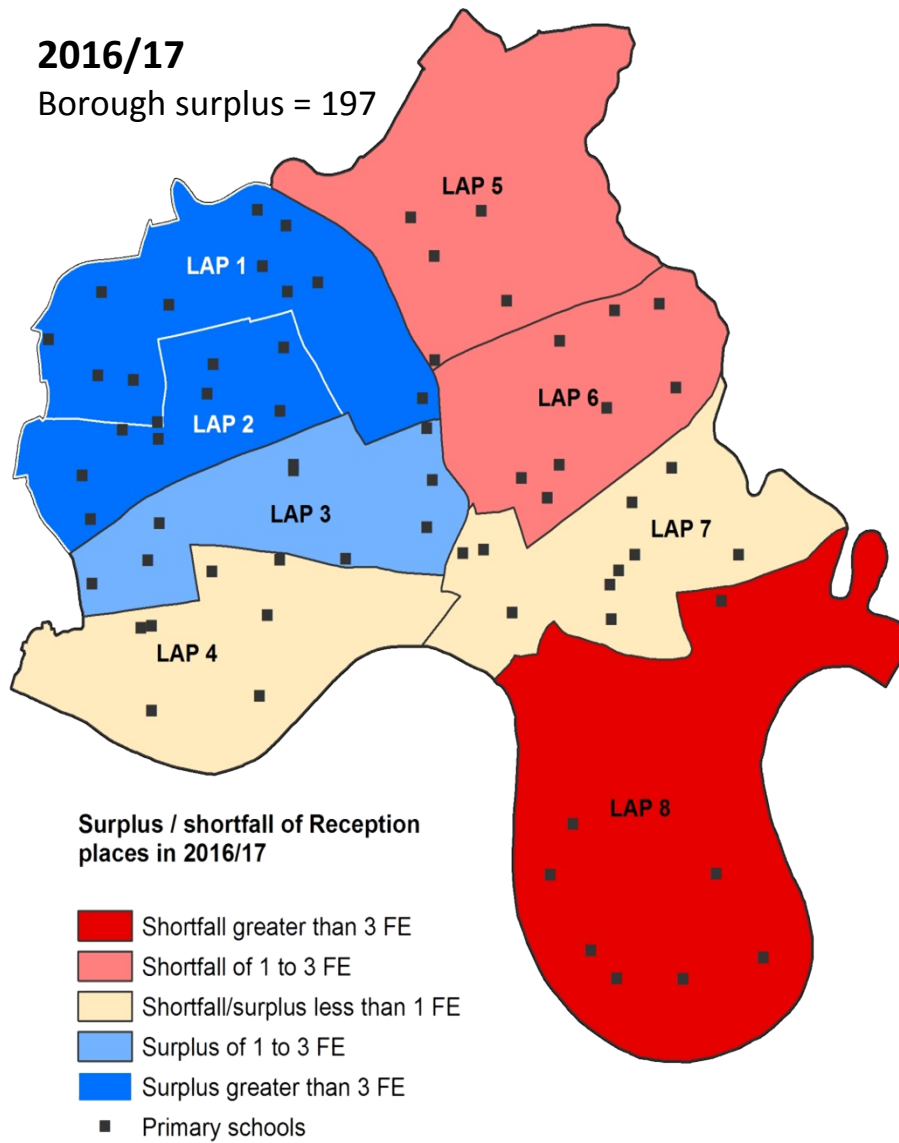
YEAR 7		2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
Actual		2,829	2,932	2,839											
2017 round projections					3,118	3,163	3,239	3,303	3,484	3,614	3,769	3,740	3,576	3,580	3,633
Capacity		3,081	3,081	3,152	3,152	3,152	3,152	3,152	3,152	3,152	3,152	3,152	3,152	3,152	3,152
Surplus/shortfall	Pupils	252	149	313	34	-11	-87	-151	-332	-462	-617	-588	-424	-428	-481
	FE	8.40	4.97	10.43	1.13	-0.37	-2.90	-5.03	-11.07	-15.40	-20.57	-19.60	-14.13	-14.27	-16.03

2017 School Roll Projections: Secondary



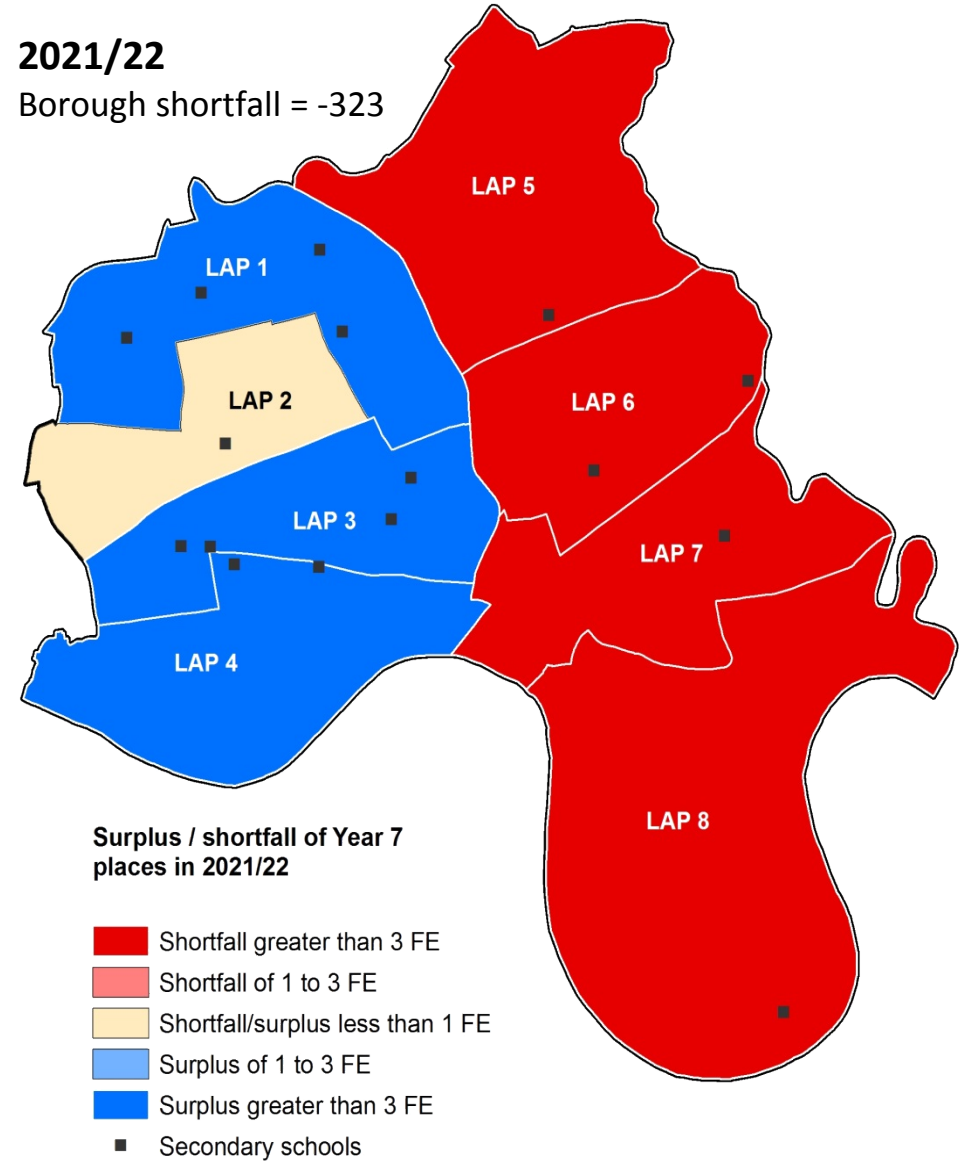
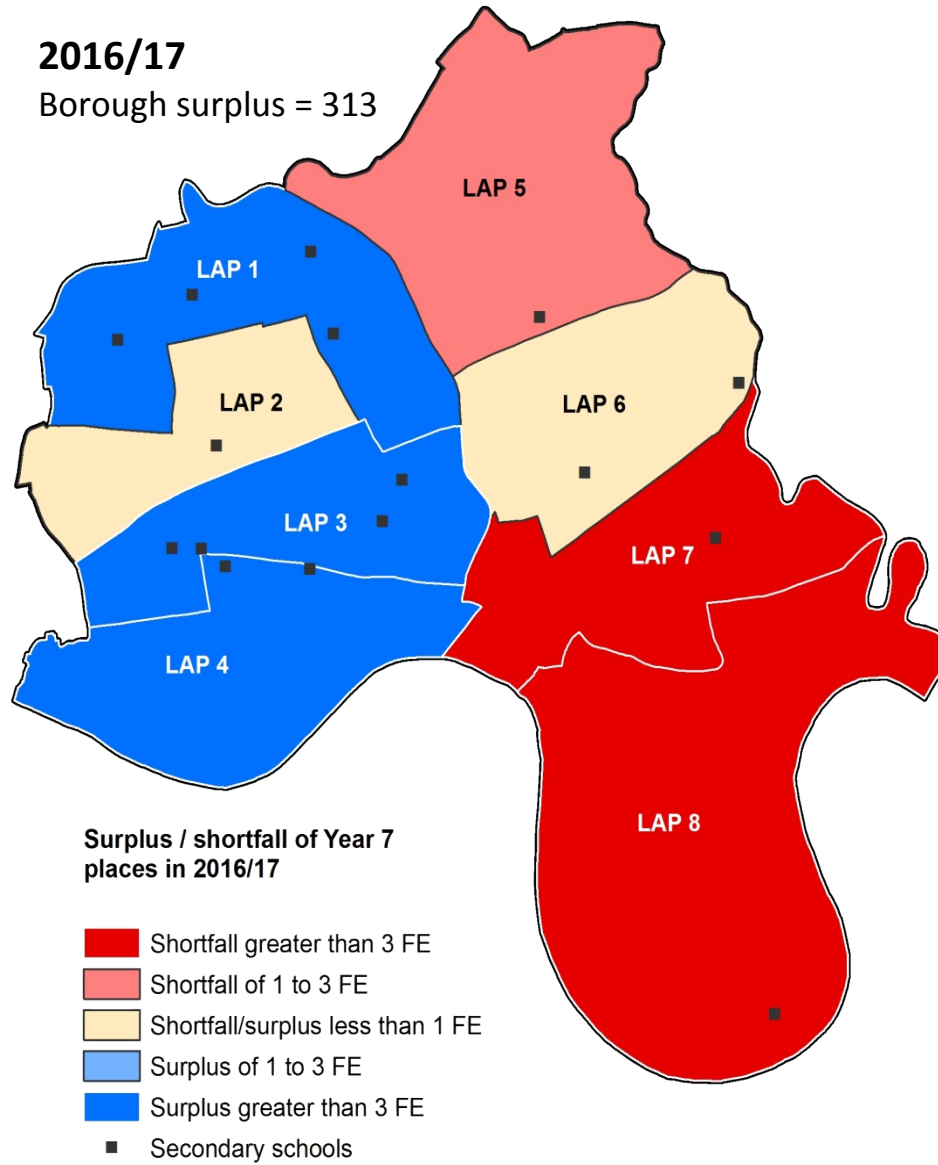
SECONDARY		2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
Actual		13,351	13,790	13,877											
2017 round (1 yr)					14,391	14,739	15,062	15,322	15,902	16,507	17,083	17,523	17,691	17,712	17,698
Capacity		14,183	14,529	14,946	15,282	15,618	15,689	15,760	15,760	15,760	15,760	15,760	15,760	15,760	15,760
Surplus/shortfall -	Pupils	832	739	1,069	891	879	627	438	-142	-747	-1,323	-1,763	-1,931	-1,952	-1,938
	FE	5.55	4.93	7.13	5.94	5.86	4.18	2.92	-0.95	-4.98	-8.82	-11.75	-12.87	-13.01	-12.92

Reception projections by LAP area



Note: This analysis is based on population projections, rather than school roll projections. Numbers will vary slightly from the roll projection tables.
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Year 7 projections by LAP area



Note: This analysis is based on population projections, rather than school roll projections. Numbers will vary slightly from the roll projection tables.
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<p>Cabinet</p> <p>19 September 2017</p>	 <p>TOWER HAMLETS</p>
<p>Report of: Debbie Jones, Corporate Director Children's Services</p>	<p>Classification: Unrestricted</p>
<p>Children's Services Improvement- progress report</p>	

Lead Member	Councillor Amy Whitelock-Gibbs, Cabinet Member for Children's Services
Originating Officer(s)	Anthony Walters, Programme Manager- Children's Services Improvement
Wards affected	All wards
Key Decision?	No
Community Plan Theme	A fair and prosperous community

Executive Summary

This report provides an update on progress in delivering improvements to Children's Services in response to the report published by Ofsted in April 2017 which rated our services 'inadequate'. The Council's improvement plan aims to achieve a standard of 'good' by April 2019, which is the minimum our children and families deserve.

The body of this report includes commentary on progress in the four themes of our improvement plan, which was submitted to the Department for Education and Ofsted in July 2017. Whilst some progress has been made in all four themes, this first quarterly report identifies that there remain significant challenges in moving the service towards a 'good' standard.

Recommendations:

The Mayor in Cabinet is recommended to:

1. Endorse the progress made in delivering the children's services improvement programme.
2. Agree the next steps in the improvement journey which will be updated on in the next report.

1. REASONS FOR THE DECISIONS

- 1.1 Corporate and political leadership of the children's services improvement agenda is a critical part of ensuring its success. Consideration of this report in Cabinet will support this leadership and help to facilitate public scrutiny of progress.

2. ALTERNATIVE OPTIONS

- 2.1 There are no alternative options to consider.

3. DETAILS OF REPORT

- 3.1 In April 2017, Ofsted published its report rating our services inadequate overall (but with some areas requiring improvement.) These findings were based on its inspection of services for children in need of help and protection, children looked after and care leavers and the local safeguarding children board, which took place in January/February 2017 under the Single Inspection Framework.
- 3.2 On 27th June, Cabinet agreed the council's response to this report and the submission of our improvement plan. The report agreed by Cabinet set out our analysis of the contributing factors to the inadequate judgement.
- 3.3 A full improvement plan has now been submitted to the Department for Education and Ofsted. The plan responds directly to the 15 recommendations identified in the Ofsted inspection report. It is an operational tool used by managers and frontline staff to drive our improvement activity which, crucially, focuses on the impact changes will have for vulnerable children. It is monitored and updated on a monthly basis by the Children's Services Improvement operational board, chaired by the Director of Children's Services, and every six weeks by our independently chaired improvement board. Quarterly updates will be reported to Cabinet. This is the first quarterly update.
- 3.4 The council aims to achieve a 'good' rating for its children's services within two years, by April 2019. This is an ambitious undertaking given the extent of failings identified in the Ofsted report and the level of change required. The overall timeline for meeting this aim is:
- **Stage 1- Laying the foundations**
By September 2017, we will have completed the first phase of improvement activity which includes data cleansing, establishing governance and performance management arrangements, putting in place 'back to basics' training for social work staff, completing our initial recruitment campaign and workforce strategy and restructuring the children's social care service to improve management and accountability.

- **Stage 2- Embedding sustained improvement**

By March 2018, we will be implementing our workforce strategy, have made changes to our delivery of early help services and be using performance data and qualitative case audits to show progress and identify areas for further improvement.

- **Stage 3- Continuous improvement to a ‘good’ children’s service**

Between April 2018 and March 2019 we will see a stabilised workforce with permanent posts filled and turnover reduced, and continuous improvement in performance data and qualitative audits towards a good service.

- 3.5 Our current improvement plan deals primarily with the first stage of this journey, so that we can maintain the flexibility to learn from the early stages of improvement activity, and the feedback we will get from our improvement partners and Ofsted monitoring visits. Future stages will be planned in more detail as we progress through the journey.
- 3.6 The council will be supported in its implementation of improvements by improvement partners appointed by the Department for Education in late July. Our partners are senior colleagues from Lincolnshire and Islington councils- both of which have achieved ‘good’ ratings in their Ofsted Single Inspection Framework judgements.
- 3.7 Our progress will be monitored by Ofsted through quarterly monitoring visits. The first of these visits took place on 30-31 August. In their informal feedback, Ofsted noted the considerable progress that had been made in improving the management of contacts, referrals and assessments in our Multi Agency Safeguarding Hub (MASH) and Assessment and Intervention service, which was the focus of their visit. In their next visit, to take place in December, they will focus on our Family Support and Protection service where further progress needs to be made. As this was the first monitoring visit they recognised that it is early in our improvement journey and whilst good progress has been made, there is still a lot of work to do to ensure that improvement is fully embedded and the service meets a consistently good standard.
- 3.8 On 27th June 2017, the Mayor in Cabinet approved our summary improvement plan, setting out the 10 components of a successful children’s service and our vision of what a ‘good’ service will look like. To give them focus, the objectives and actions that are being implemented to achieve this vision are grouped under 4 themes that directly relate to the findings of the Ofsted inspection. This report sets out the contribution that our improvement plan and each of its themes is making towards this vision.
- 3.9 Additional capacity has been provided to the service to ensure that rapid progress can be made whilst maintaining day to day service provision. An experienced interim Divisional Director for Children’s Social Care has been appointed to implement operational improvements and provide leadership in our improvement journey. The budget for Children’s Services has been increased by £5.2m in 2017-18. Further one –off investment is also being

made to support the implementation of the improvement plan. The budget for this is being finalised.

- 3.10 Improvement activity at operational level is under way with an initial emphasis on getting the basics right to ensure a consistently good and legally compliant level of social work practice. The initial focus has been on Early Help alongside the 'front door' of our Multi Agency Safeguarding Hub (MASH) and Assessment & Intervention (A&I), Child Sexual Exploitation and missing children as well as children in need (CiN). Work is also now underway through the rest of the child's journey through the social care system. The approach has involved ensuring that there is greater clarity in what 'good' looks like, compliance with minimum standards and rigorous use of child level data and audit to monitor practice. This has started to show results in some areas although reported performance has initially declined due to data cleansing activity and an increased volume of referrals at the front door. Whilst this progress indicates some encouraging signs, there remain significant challenges in achieving a consistently 'good' service.
- 3.11 At the end of the first quarter, we are half way through the first stage of our improvement journey, 'laying the foundations.' The focus of improvement activity has been on establishing the fundamentals of a clear understanding of what 'good looks like', robust performance management using accurate child level data, and quality assurance processes that feed directly into improved service delivery and better outcomes for children. This has enabled us to begin to tackle the practice issues raised by Ofsted. Progress in our four themes is detailed in the following paragraphs.

Theme 1- Leadership, Management and Governance

- 3.12 The focus in this part of the plan has been to implement a robust governance structure with a supporting performance management framework, a workforce strategy and address sufficiency issues in relation to emergency and unplanned placements. This will contribute to the following components of our vision:
- A whole council vision for excellence
 - An outward facing organisation and culture
 - Corporate and political support and an ambition for excellence
 - Strong member- officer relationships based on trust and constructive challenge
 - A clear 'golden thread' from the political leadership through to the frontline
 - Strong and dynamic leadership throughout the organisation
 - A permanent and stable workforce with capacity and resources
 - Strong coherent partnerships at strategic and operational level

- 3.13 A Children's Services Improvement Board has been established to provide direction in our improvement journey, and ensure that progress is robustly scrutinised. The Board is independently chaired by a nationally recognised expert in children's services, and its membership includes:
- Executive Mayor and lead Cabinet member for Children's Services
 - Chair of the Overview and Scrutiny Committee and the lead Scrutiny member for Children's Services
 - Chair of Tower Hamlets Safeguarding Children Board
 - Senior representatives from key partner agencies- schools, the Clinical Commissioning Group and Police
 - The council's Chief Executive, Director of Children's Services and senior officers from relevant council services
- 3.14 The Board ensures that there is clear political, corporate and partnership leadership of the improvement journey. The Board has now met three times and has provided its leadership to the development of the improvement plan, improvements to the Multi Agency Safeguarding Hub (MASH) and the consistent application of thresholds for support. It has agreed a forward plan identifying the key issues that it will be focussed on in the coming months, which include:
- Practice in relation to children who go missing and child sexual exploitation
 - The management of child in need cases
 - Workforce development
 - Culture change
- 3.15 A clear governance and reporting framework has been put in place which ensures that in addition to the Improvement Board there is oversight at appropriate levels in the officer and political governance structures. This includes Cabinet, the Best Value Improvement Board and Overview and Scrutiny Committee. We have also made changes to our corporate strategic performance indicator set, which is reported to Cabinet every quarter, to better reflect the children's services improvement priorities and ensure crucial metrics demonstrating legal compliance are visible and interrogated.
- 3.16 To strengthen political understanding and oversight, the Lead Member has undertaken a number of visits and key meetings with staff and partners. This includes spending time with the MASH and A&I teams at the front door, and with the Fostering and Adoption, Looked After Children and Family Support & Protection Teams, with visits planned to the Virtual School and local authority children's home. The Lead Member has regular meetings with the independent Chairs of both the Improvement Board and Local Safeguarding Children Board Chair, the Principal Social Workers and trades unions, as well as political support from a lead member in another, improving, local authority.
- 3.17 Training on understanding performance data has been delivered to the lead Cabinet and Scrutiny members for Children's Services and the chair of

Overview and Scrutiny Committee. Further training is being delivered in September to all elected members on their responsibilities in relation to children's services and how they can exercise these responsibilities including the interpretation of management information. We are working with the Local Government Association and Centre for Public Scrutiny to ensure that our approach to elected member scrutiny is informed by best practice from elsewhere. Alongside the direct involvement of members in the improvement governance structure, this will ensure robust scrutiny of children's services by elected members to address the failings in this area that were highlighted in Ofsted's report.

- 3.18 Staff recruitment and retention remains a challenge, with vacancy rates of 55% and over in some parts of the service. This is due to the competitive nature of the market for qualified social workers, coupled with the pressure of increased workload and the drive for improvement post Ofsted. We have reviewed our social work pay offer to ensure that it is competitive and supports the recruitment and retention of high quality staff. A recruitment campaign has taken place to start to address the immediate vacancy issues within the Children's Social Care Service. The campaign was successful in attracting a large number of 'hits' on its microsite, but attracted fewer applicants from experienced social workers than hoped. We have also attracted some of our agency social workers to move into permanent posts to introduce further stability in the workforce. However, there is far more work to do to recruit and stabilise our social care workforce.
- 3.19 We are further developing our recruitment strategy to include better targeting through specialist recruitment agencies, presence at a national recruitment fair and an 'introduce a friend' scheme to incentivise staff to encourage others to apply for jobs in Tower Hamlets. We are also reviewing our rates of pay for agency workers, recognising that they will continue to play an important role in the resourcing of our service as we move towards a more stable workforce. Our approach will enable us to attract sufficient experienced social workers in the first instance, as well as developing and retaining our less experienced workers in the medium to long term through 'grow your own' schemes using Open University courses and the establishment of a social work academy. Action is also being taken to stabilise the leadership team within children's services. The senior leadership structure has been reviewed and we are recruiting permanently to strengthen capacity and skills at that level.
- 3.20 A 'back to basics' training programme has been commissioned and will be delivered for all social care staff between September and November 2017. This will be followed with a course of training in systemic social work practice. These courses of training are supplemented by ongoing training in specialist areas such as recognising and responding to child sexual exploitation and Domestic Abuse. This programme will ensure that the knowledge and skills of our staff are increased to address issues raised by the Ofsted inspection, whilst also supporting our staff retention strategy.
- 3.21 Sufficiency of emergency and unplanned placements remains an area of concern, and placement stability indicators are not showing improvement. An interim report on sufficiency is due to be completed in September, to address

the availability of suitable residential and foster care placements for our current cohort of looked after children, and services for families with children who are likely to enter the care system where appropriate support may be able to prevent this. This will include the anticipated impact on future demand for care placements.

Theme 2- A robust model of social work practice.

- 3.22 This theme is the main 'core' of our improvement plan and focusses on improvements in practice within the Children's Social Care service. The service manages all contacts received by the council where there are concerns about a child's welfare through to statutory assessments and interventions for children. This includes the placement and support of looked after children as part of the council's corporate parenting responsibilities.
- 3.23 The theme contributes to the following components of our vision:
- A strong model of practice, with good checks and balances
 - Clear and embedded systems, processes and data
- 3.24 There is a rigorous focus within the Children's Social Care Service on 'getting the basics right.' This has concentrated initially on the 'front door' of MASH and A&I, with an emphasis on consistent application of thresholds and timeliness of decision making. Evidence from auditing a sample of cases ('dip sampling') shows that significant improvements have been made in these two areas of practice. There has also been some work on practice relating to child sexual exploitation and children who go missing. We are now working through the rest of the child's journey. Our approach has included greater clarity in practice standards ('what good looks like'), management action on compliance with standards and recording, and the systematic use of data and case audits to lift quality and consistency.
- 3.25 The Ofsted inspection identified poor recording practice, leading to inaccurate performance information, as a contributing factor to its 'inadequate' judgement. Action has been taken to remedy this, with a significant amount of data cleansing of current and historic records. This means that performance data is now more accurate. At the same time, as expected after the poor Ofsted judgement, we are seeing an increase in workload with 15% more children on the caseload, an increase in monthly contacts of 41% and in referrals of 66% since April 2017. The combined effect of these two factors has led to deterioration in reported performance in our strategic performance indicator set for children's services. The actions we are taking to improve front line practice and ensure that there is a well-resourced and highly skilled service will deliver sustained performance improvement as we progress into the second and third stages of the improvement journey. Whilst progress has been made in some areas, there remain significant challenges to improve to a consistently 'good' service. For example, a recent audit of practice in relation to the 'toxic trio' of domestic abuse, parental substance misuse and mental health, has thrown up some significant practice challenges in this area which are now starting to be addressed.
- 3.26 Practice in relation to children identified as 'children in need' under the Children Act 1989 remains an area of focus, where there have been historic

issues with recording and consistency of practice. All of these cases have now been reviewed and appropriate action taken to ensure children are safe. The Lead Member and the Improvement Board have asked for assurances on child in need cases and will continue to oversee this key risk area.

- 3.27 Progress is being made towards improvements in our early help offer for children and families who do not meet threshold for statutory social care services, with a strategic project to define the future model for early help on track to reach its conclusion in September 2017. This model will then proceed to implementation in the third quarter of 2017-18. Partnership buy-in to the early help offer will be critical to its success.

Theme 3- A sufficient and skilled workforce

- 3.28 This theme focusses on improvements in management oversight and supervision across all services, and in our management of private fostering cases which were highlighted as an area of concern by Ofsted. It contributes the following elements of our vision:

- Strong and dynamic leadership throughout the organisation
- A strong model of practice, with good checks and balances
- A permanent and stable workforce with capacity and resources

- 3.29 Progress has been made in improving management oversight, with improvement in the proportion of cases that have received timely management oversight, although further improvement is required to meet a consistently 'good' standard. At the end of June, 78.9% of cases had received management oversight within the last 8 weeks, an improvement from 60% in April 2017 although not yet meeting our 95% target. Work is ongoing within the Children's Social Care service to improve this figure. We are also carrying out dip sampling to test the quality of this oversight.

- 3.30 We have introduced new systems to robustly manage private fostering cases. All of the private fostering cases have had a case file audit, and every child has had an updated assessment to ensure we have an understanding of their holistic needs. Cases have been reviewed to ensure compliance with statute and national minimum standards for those children in private fostering arrangements. The new monitoring systems will be used to measure progress in this area in future reports.

Theme 4- Quality Assurance and audit

- 3.31 This theme supports the following components in our vision:

- Clear and embedded systems, processes and data
- A strong model of practice, with good checks and balances

- 3.32 Our quality assurance and audit programme was fully launched in August 2017. This activity is crucial to know whether our services are legally compliant, good quality, consistent, and making a difference for children. We have focussed on ensuring that there is a more consistent and robust understanding in the audit process of what 'good' looks like, and moderation is showing improvement in the consistency and reliability of audit findings,

ensuring that we have reliable qualitative information to inform continuous improvement in practice.

- 3.33 The results of audits undertaken so far have fed directly into improvement activity in the front line. For example there has been rapid improvement in the quality of decision making in the MASH, and the robustness of challenge and scrutiny by Independent Reviewing Officers in child protection and looked after children cases.
- 3.34 Another focus in this theme is to ensure that care leavers have high quality, up to date pathway plans. Management oversight has been improved and whilst the proportion of care leavers with a plan as at the end of June is 92.7%, improvement is required in the number that have been reviewed in the last 6 months. Dip sampling to test the quality of plans commenced in August 2017. This is an area that still requires further improvement.

Next Steps

- 3.35 Cabinet will receive a further update on progress in three months' time. The key priorities for the next monitoring period, at the end of our first stage of improvement activity, will be:
- Working with our improvement partners to further develop the improvement plan
 - Responding to the feedback from our first Ofsted monitoring visit, reviewing the improvement plan where necessary
 - Completing our workforce strategy
 - Completing the first report on our looked after children sufficiency strategy
 - Focusing on key areas identified by the Improvement Board for scrutiny, including child in need practice, CSE and missing children.

4. COMMENTS OF THE CHIEF FINANCE OFFICER

- 4.1 Implementation of the improvement plan is likely to have significant financial implications to LBTH.
- 4.2 Significant additional resources have already been identified as part of the 2017-2020 MTFS; in particular total additional growth of £5.2m addressing pressure in a range of areas, most of which feature in the improvement plan.
- 4.3 Direct costs relating to the improvement plan is currently being estimated as the 'Sufficiency' strategy is still being developed. It is proposed that the improvement activities will be funded by drawing down on the Transformation Reserve or the Risk Reserve.
- 4.4 The subsequent progress of the improvement plan costs will be reported to Members as part of the Council's normal budget management reporting

mechanisms.

- 4.5 The level of the proposed reserve will be based on a detailed assessment of the costs associated with the improvement plan and the demonstrable improvements that will be achieved as a result of the investment.

5. LEGAL COMMENTS

- 5.1 The framework for Ofsted inspections of Children's Services is set out in sections 135-142 of the Education and Inspection Act 2006 ('the Act') and associated Employment and Education Act 2006 (Inspection of Local Authorities) Regulations 2007 ('the Regulations').
- 5.2 Ofsted's "Framework and evaluation schedule for the inspections of services for children in need of help and protection, children looked after and care leavers and Reviews of Local Safeguarding Children's Boards" ('the SIF') sets out a single assessment framework for assessing local authorities during inspections conducted under section 136 of the Act. Local authorities are graded outstanding, good, requires improvement or inadequate in each of the areas inspected.
- 5.3 The SIF notes that a rating of inadequate indicates: "*There are widespread or serious failures that create or leave children being harmed or at risk of harm and/or the welfare of looked after children is not safeguarded and promoted.*" (para. 31)
- 5.4 In light of the Council's rating of inadequate in 2 out of the 3 areas assessed, Ofsted's "Monitoring and re-inspection of local authority children's services judged inadequate" guidance will apply. Ofsted will carry out a programme of monitoring activities, including quarterly monitoring visits, to report on the progress made by local authorities. The monitoring visits will evaluate the progress made against the recommendations since the inspection and check that there is no decline in other areas (para. 5). Inspectors will produce a brief report about their findings and, in particular, their evaluation of the Council's progress. Other than the report arising from the first monitoring visit, these will be published (paras. 41-42).
- 5.5 Ofsted will usually re-inspect a local authority judged inadequate at its last inspection within two years of it submitting its action plan, usually after at least four quarterly monitoring visits. Because the Council has been found to be inadequate overall, this will involve a full repeat SIF, although this will be shorter than the initial SIF as inspectors will take into account information gathered during monitoring visits (paras. 50-52).
- 5.6 Implementing and reviewing the improvement plan is consistent with the Council's duty 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 by virtue of section 3 of the Local Government Act 1999. This is known as its Best Value Duty.

6. ONE TOWER HAMLETS CONSIDERATIONS

- 6.1 Ensuring that we are providing good services to vulnerable children and their families will ensure that some of our most disadvantaged children are effectively supported to maximise their life chances.

7. BEST VALUE (BV) IMPLICATIONS

- 7.1 Achieving a good children's service will ensure that the council is meeting its best value obligations in this important area of service delivery.
- 7.2 The Best Value Improvement Board is part of the governance structure for the children's services improvement plan and will be providing additional scrutiny through receiving quarterly updates on progress. This report will be formally presented at the Best Value Improvement Board.

8. SUSTAINABLE ACTION FOR A GREENER ENVIRONMENT

- 8.1 There are no implications.

9. RISK MANAGEMENT IMPLICATIONS

- 9.1 There is significant risk in failing to deliver a good children's service.
- 9.2 As part of our governance and programme management arrangements, risks are being identified and managed.
- 9.3 The following table shows the high level risks that have been identified, and how we are managing them through mitigating actions.

Description	Mitigation / Resolution
If the staff culture at all levels in the organisation does not change to address the problems identified by Ofsted, improvement in children's services will not be achieved.	Robust corporate governance to ensure clear ownership and accountabilities for improvement. Sustained management focus on compliance with practice standards. Robust communications with staff and partners.
If progress and improvements are not sustainable in the long term, the service may become inadequate again	Robust financial planning to ensure that the service is sufficiently resourced. Investment in workforce strategy to ensure that there is a stable and highly skilled workforce with long term plans to sustain this.
If leadership capacity and permanence are insufficient, the improvement plan may not be successfully implemented and/ or improvements may not be sustained.	Review of leadership structure to ensure capacity is sufficient. Workforce strategy to address recruitment, retention and development of leadership capacity.

Description	Mitigation / Resolution
If the children's social care service is not sufficiently resourced in line with a high and increasing volume of casework, it will not be possible to achieve a good standard of practice	Robust financial planning as part of corporate budget processes to ensure that there is sufficient budget for current and future service need. Ensure that temporary resources are only used for one off improvement activity and that any permanent budget requirements are identified separately and planned for.
If the service response is inadequate, then children may come to significant harm.	Robust monitoring and oversight of casework. Effective performance management and quality assurance framework, and robust governance. Staff development to ensure correct skills level.
If skilled and experienced staff leave the organisation as a result of rapid change activity, then there may be capacity issues within the service and multiple changes in social workers for children and families to cope with.	Ensure that staff are supported through change. Provide effective workforce development opportunities. Recruitment and retention strategy put in place.
If new staff cannot be recruited, then there may be capacity issues and financial pressures within the service.	Recruitment and retention strategy: ensure pay and benefits are competitive and robust approach to recruitment advertising targeted in the right areas
If there is low level compliance with the TH model of social work and statutory requirements, then children may come to significant harm.	A training programme has been put in place for all staff to ensure there is a clear understanding of the TH model of social work, and statutory requirements.
If the pace of progress in implementing the improvement plan is not fast enough to meet the requirements for 'good' by April 2019, then Ofsted may subject the service to additional measures and/ or intervention by commissioners.	Ensure sufficient resourcing of improvement plan; Rigorous and systematic monitoring of improvement plan; performance management and quality assurance framework
If the quality of the data is poor, then it may result in inaccurate performance monitoring and analysis, and ultimately risk to children.	Data cleansing of existing data; Implementation of robust use of child level data by team managers; data quality reports; action by managers to ensure that data entered into case management system is accurate
If the council's political leadership across all parties are not fully engaged or aware of their roles and responsibilities in relation to children's services, then there may be a lack of appropriate scrutiny and accountability.	A training seminar has been planned for all members to outline their roles and responsibilities, as well as increasing their knowledge around the potential social care journey of the child. Ongoing regular meetings with the Mayor, Lead Member, Chief Executive and Corporate Director. Support for Overview & Scrutiny.
If partners are not fully engaged or aware of their roles and responsibilities in relation to the improvement activities, then some improvement actions may not be achieved.	Senior leadership from key partners are members of the Children's Services Improvement Board to ensure they are involved in the strategic development and oversight of their agency's involvement. The LSCB has strengthened its leadership structure and focus.

10. CRIME AND DISORDER REDUCTION IMPLICATIONS

- 10.1 Our improvement plan includes activity to improve support to children at risk of involvement in gangs or being sexually exploited.

11. SAFEGUARDING IMPLICATIONS

- 11.1 Safeguarding children is a core focus of the improvement plan.
- 11.2 The Ofsted judgement rated our local safeguarding children board 'inadequate.' Work is underway to address this finding and improve the work of the board.
- 11.3 The annual safeguarding board report will shortly be reported to Cabinet for consideration.
-

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:

N/A

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<p>Cabinet</p> <p>19 September 2017</p>	
<p>Report of: Ann Sutcliffe, Acting Corporate Director, Place</p>	<p>Classification: Unrestricted</p>
<p>The Adoption of a Development Viability Supplementary Planning Document</p>	

Lead Member	Councillor Rachel Blake, Cabinet Member for Strategic Development
Originating Officer(s)	Owen Whalley, Divisional Director, Planning and Building Control
Wards affected	All
Key Decision?	Yes
Community Plan Theme	A great place to live

1. EXECUTIVE SUMMARY

- 1.1 This document has been prepared in order to seek approval from the Mayor in Cabinet to adopt a Development Viability Supplementary Planning Document (SPD).
- 1.2 The SPD provides guidance as to how Development Plan policies should be applied in a development viability context when determining planning applications. It aims to provide greater clarity to both applicants and the general public, and ensures that the principles of sustainable development are at the forefront of decision-making in Tower Hamlets. The SPD would also ensure the assessment of the viability of planning applications is efficient, consistent and transparent, and would help to avoid delays in the decision-making process.
- 1.3 In particular, the SPD will generally allow the Council to only accept the submission of Financial Viability Assessments on the basis that they can be made available to the public. Therefore, this SPD is key to achieving the Council's transparency objectives.
- 1.4 Two six week public consultations on the SPD have been carried out, each in accordance with the Council's Statement of Community Involvement.

2. RECOMMENDATIONS

2.1 The Mayor in Cabinet is recommended to:

- Approve the adoption of the Development Viability Supplementary Planning Document attached at Appendix A;
- Note the Report on the Second Consultation attached at Appendix B, and approve the publication of this document on the Council's website;
- Note the Adoption Statement (Appendix C) and Strategic Environmental Assessment Screening Determination and Sustainability Appraisal Review (Appendix D) and approve the publication of these documents on the Council's website;
- Note the Equality Analysis Quality Assurance Checklist (Appendix E) completed in respect of the Development Viability Supplementary Planning Document.
- Note the Report on the First Consultation attached at Appendix F;
- Note that the Supplementary Planning Document states that the Council "will have regard" to the "Threshold Approach to Viability" as described in the Mayor of London's Affordable Housing and Viability Supplementary Planning Guidance document. See paragraphs 5.18 to 5.21 below for more information on this matter.

3. REASONS FOR THE DECISIONS

3.1 There are several reasons for the decisions sought in this report:

1. The SPD enables the Council to declare that it will generally only accept Financial Viability Assessments, submitted alongside relevant planning applications, on the basis that they can be made publicly available. This will ensure the Council can make Financial Viability Assessments and reviews undertaken by the Council are generally made available to the public. This is important to achieving the general objectives of the Mayor's Transparency Protocol.
2. The adoption of a Development Viability SPD will ensure the Council's approach to viability is clearer for applicants and the public, helping to improve understanding of viability matters and helping to avoid delays in the decision making process for planning applications.
3. Adopting the SPD will help the Council be compliant with with the Mayor of London's Affordable Housing and Viability Supplementary Planning Guidance which forms part of the Development Plan hierarchy.

4. ALTERNATIVE OPTIONS

4.1 The only realistic alternative options are:

- To not adopt a Development Viability SPD: This is not considered an appropriate option because this would mean the Council would have a less transparent and standardised approach to dealing with development viability in the context of planning applications.
- Adopt a different Development Viability SPD containing alternative measures: This is not considered to be a suitable option as Planning and Building Control consider the measures described in the proposed SPD are appropriate. In addition, the proposed SPD has been the subject of two public consultations.

5. BACKGROUND AND CONTEXT

The Challenge of Providing Affordable Housing

- 5.1 The delivery of homes is a huge challenge for Tower Hamlets, as the borough's population is expected to increase from 291,300 in 2015 to 388,600 by 2030. The delivery of housing in the borough is required, not only to respond to local need, but also to fulfil the borough's duty to cooperate with neighbouring boroughs and help meet strategic housing needs identified in the London Plan. Tower Hamlets is expected to deliver 39,310 new homes, which is approximately 10% of the London Plan total London Housing target, by 2025.
- 5.2 The challenge for Tower Hamlets is that high levels of deprivation and poverty exist in the borough, which provides a stark contrast to the wealth and prosperity that has grown around Canary Wharf and the City fringe areas of the borough. There are nearly 20,000 households on the Common Housing Register with over 50% in high priority need. Evidence from both the Greater London Authority and the Tower Hamlets Strategic Housing Market Assessment estimate a need for an additional 46,458 homes by 2031.
- 5.3 The shortage of affordable homes has led to an extremely heated housing market. The private rented sector has doubled in size over the past 10 years but rents are beyond the reach of households on average incomes are well above Local Housing Allowances. Private market sales start at a minimum of £300,000 for an ex local authority right to buy flat and so even the lowest level of home ownership is beyond the mean of average income households.
- 5.4 In April 2017 the average house price in Tower Hamlets was £470,021; this is an increase of 2.9% from the year before (£456,740 in April 2016). Dips in residential values in the borough over the last 20 years have been relatively short lived, and have been more than offset by subsequent increases.

- 5.5 The adoption of a Development Viability SPD, following the example of boroughs including LB Southwark and LB Islington, will hopefully increase the Council's ability to maximise planning obligations and in particular the provision of affordable housing.

Viability in the Planning System

- 5.6 The National Planning Policy Framework (NPPF) requires that careful attention to viability should take place to ensure that the burden of required or necessary planning obligations, such as affordable housing, do not threaten the viability of development, and provide a competitive return to willing land owners and developers when taking the normal costs of development into account.
- 5.7 Assessing viability demonstrates the scale of planning obligations which are appropriate. However, the NPPF is clear that where safeguards are necessary to make a particular development acceptable in planning terms, and these safeguards cannot be secured, planning permission should not be granted for unacceptable development.
- 5.8 The SPD was formed in response to these challenges, and the adoption of a Development Viability SPD would ensure the assessment of the viability of planning applications is efficient, consistent and transparent; and would help to avoid delays in the decision making process.

Transparency

- 5.9 Financial Viability Assessments are currently submitted on the basis that they must remain confidential. This means that the Council can't make these assessments publicly available unless:
- It is confident that the public interest in publishing an assessment outweighs the commercial harm to the developer (as per the 'public interest test' set out in the Environmental Information Regulations);
 - A decision by the Information Commissioner's Officer (ICO) prescribes that the assessment should be published.
- 5.10 The Mayor of Tower Hamlets' Transparency Protocol which was adopted by the Mayor in Cabinet in November 2015 and described the following action that needed to be carried out by Planning and Building Control (P&BC):

Explore the possibility of requiring developers to publish Planning Viability Assessments, which have previously been restricted due to commercial sensitivity.

- 5.11 P&BC explored how the Council could publish Financial Viability Assessments by seeking Counsel Advice in respect of the matter. The advice received confirmed that the Council could implement a position of transparency by making a public declaration that the Council will not receive Financial Viability

Assessments from here onwards on any basis other than that information can be made freely available to all members of the public.

5.12 One of the main purposes of the SPD is that it enables the Council to declare that it will only accept Financial Viability Assessments on the basis that they can be made publicly available. The SPD makes an allowance for exceptions to the position of transparency in very limited circumstances and only in the event that there is a convincing case that disclosure of an element of a FVA would cause harm to the public interest to an extent that is not outweighed by the benefits of disclosure. In this regard the Council may accept the submission of a FVA that aggregates potentially commercially sensitive inputs.

5.13 Please note that Planning and Building Control are exploring the use of the Council's Open Data system in terms of the publication of Financial Viability Assessments.

How the SPD has been formed

5.14 The SPD was formed through a Working Group that comprised members of the Council's Infrastructure Planning, Strategic Planning, Development Management, Housing Strategy and Legal teams.

5.15 The formation of the SPD has taken account of:

- The Development Plan (the Local Plan, London Plan, NPPF and associated guidance);
- SPDs formed by other boroughs (LB Southwark and Islington);
- The London Boroughs Viability Protocol: This is a document formed in collaboration with thirty London Boroughs. The protocol draws on best practice to set out overarching principles for considering development viability within the planning process.
- The Mayor of London's Affordable Housing and Viability SPG. The Greater London Authority (GLA) are in the process of adopting this document and the Council has engaged with them to ensure appropriate consistency between the two documents.

5.16 Two public consultations, carried out in accordance with the Council's Statement of Community Involvement (SCI), have been undertaken on the SPD:

Consultation	Dates
Consultation 1	31/01/2017 – 14/03/2017
Consultation 2	27/04/2017 – 08/06/2017

5.17 The SPD will be published alongside Consultation Reports (attached) that set out the representations received in respect of the consultations carried out. The Consultation Reports also set out the Council's response to the representations received as well as the amendments the Council is proposing to make to the adoption version of the SPD following the consultation.

The Mayor of London's Affordable Housing and Viability Supplementary Planning Guidance

5.18 The Mayor of London is in the process of adopting an Affordable Housing and Viability Supplementary Planning Guidance (SPG) document. The Council's SPD has been formed to be consistent with this document.

5.19 One thing to note about the above referenced guidance is that it is proposing a "Threshold Approach to Viability". This is a process whereby schemes that meet or exceed 35% affordable housing (accounting for local unit and tenure mix requirements) without public subsidy, are not required to submit detailed viability information alongside relevant planning applications.

5.20 The Council's SPD states, with regard to the "Threshold Approach to Viability":

The Council will have regard to the threshold approach to viability in accordance with the process set out in the Mayor of London's Affordable Housing and Viability SPG. The Council will keep this matter under review to ensure it is effectively meeting its objectives.

5.21 The Mayor of London's SPG is regional level guidance that the Council is expected to comply with. In order for the Council to justify a deviation from the "Threshold" approach, the Council would have to demonstrate that it consistently achieves in excess of 35% affordable housing on market-led schemes. The Council would not currently be able to demonstrate this but the SPD commits to keeping this position under review.

Associated Documents

5.22 The SPD (Appendix A) is being adopted alongside the following supporting documents:

- Report on Second Consultation (Appendix B): This documents sets out the Representations received in respect of the second consultation carried out, the Council's responses to the representations made, as well as the changes the Council made to the SPD following the consultation.
- Adoption Statement (Appendix C): This document clarifies the status of the adoption for the public and provides information on where the SPD can be viewed.
- Strategic Environmental Assessment Screening Determination and Sustainability Appraisal Review (Appendix D): This document considers the potential impacts of the SPD on the environment, the economy and

society. It does this by assessing the extent to which the SPD will contribute to a series of objectives that cover a range of issues, including air quality, landscape, water, health and the population. This document finds that the SPD is unlikely to have any significant effect on any of the objectives.

- Report on First Consultation (Appendix F): This document sets out the Representations received in respect of the first consultation carried out, the Council's responses to the representations made, as well as the changes the Council made to the SPD following the consultation. In accordance with legal requirements, it also provides a summary of the main issues raised and describes the persons who were consulted.

5.23 In addition to the above stated documents, an internal Equality Analysis Quality Assurance Checklist (Appendix E) has been carried out. This document examines whether the implementation of the SPD will have any adverse impact on equality groups. It found that the SPD will not have any adverse impacts on any particular equality group.

Content of SPD

5.24 Please find below a list of the chapters incorporated within the SPD and a summary of the contents:

1. **Introduction:** This chapter introduces the SPD, defines its purpose and sets out how it has been formed.
2. **Local and Policy Context:** This chapter summarises the local context including the relevant socio-economic considerations. It also sets out the relevant policy context in terms of the SPD.
3. **Key Requirements Overview:** This chapter sets out the key requirements of the SPD.
4. **Process Overview:** This chapter provides an overview of how FVAs should be submitted and how they will be considered.
5. **Transparency, Deliverability and Information Requirements:** This chapter makes it clear that FVAs can be made publicly available. It also requires that FVAs cannot be submitted where they show a proposed scheme to be technically unviable. It also defines the documents that must be submitted by applicants alongside planning applicants.
6. **Methodology: Financial Viability Assessments:** This chapter defines the overall methodology for FVAs and sets out how the inputs should be treated.
7. **Viability Reviews:** This chapter clarifies the Council's proposed approach to review mechanisms which is where the viability position of a scheme is reviewed at various points in the construction programme.

8. Affordable Housing: Payments in Lieu and Off-Site Delivery: This chapter clarifies the Council's approach to accepting payments in lieu and the off-site delivery of affordable housing.

6. COMMENTS OF THE CHIEF FINANCE OFFICER

- 6.1 Following the conclusion of the consultation process, this report seeks the approval of the Mayor in Cabinet to adopt the Development Viability Supplementary Planning Document (SPD) as a document to support the Local Plan.
- 6.2 The submission of viability assessments is an essential requirement in the consideration of planning applications. Viability assessments include the evaluation of a range of factors as set out in Table 3 'Statement of Reasons' of the SEA Screening Determination Letter and Sustainability Appraisal Review included as Appendix D of this report.
- 6.3 A major element of the assessment relates to the financial viability of proposed developments. Currently the Council uses specialist consultants to review the financial viability assessments that are submitted in relation to major planning applications. These companies have been appointed under a framework agreement at an estimated total cost of £234,000 over a three year period, funded from within the fees generated by the planning service. In order to ensure that costs are fully recovered, the Development Viability Supplementary Planning Document (Appendix A) specifies in paragraph 4.14 that *"FVAs will be reviewed by the Council or referred to appointed assessors. Applicants will be required to meet the costs, as specified by the Council, associated with FVAs, including legal fees and additional cost consultancy fees if appropriate. We recognise that requiring payment of these costs prior to the work being carried out might be difficult and could delay the planning application process. Therefore, the Council will require the submission of a solicitor undertaking to pay the fees at the planning application validation stage. Such an undertaking may also be expressed in a Planning Performance Agreement."*
- 6.4 In addition to providing data to support the evaluation of the viability of a project, the financial assessments assist the Authority in determining and prioritising contributions due from developers as part of the Planning Obligations (Section 106) system.
- 6.5 The costs of the consultation process were met from within existing revenue resources.

7. LEGAL COMMENTS

- 7.1 This report recommends that the Mayor in Cabinet approves the adoption of a Development Viability Supplementary Planning Document.

- 7.2 Supplementary Planning Documents (SPDs) provide detail to support planning policy set out in higher level Development Plan Documents (DPDs) (i.e. the Local Plan and the London Plan). They do not and cannot introduce new planning policy, however, once the SPD is adopted it will be considered to be a material consideration which is to be taken into account in the development control process. They undergo a simpler preparation process than DPDs and in particular they are not subject to independent scrutiny by a planning inspector. SPDs are subject to statutory preparation procedures under Regulations 12 to 14 of the Town and Country Planning (Local Planning) (England) Regulations 2012, with the requirement to undergo a process of public consultation and engagement with relevant parties for a period of not less than 4 weeks.
- 7.3 Pursuant to the above regulations, before the Council adopts a supplementary planning document we are required to prepare a statement setting out: (a) the persons the local planning authority consulted when preparing the supplementary planning document, (b) a summary of the main issues raised by those persons, (c) how these main issues have been addressed in the SPD. This statement was prepared as required and made available during the statutory consultation period.
- 7.4 Separate reports on the first and second consultations detail the two rounds of consultation that have been undertaken and Legal Services are satisfied that the statutory requirement for consultation has been met. Before taking a decision Cabinet should consider the representations made during the consultation periods as set out in Appendix B and F.
- 7.5 Pursuant to section 9D of the Local Government Act 2000 all functions of an authority are executive functions unless they are specified as not, in either the Local Government Act 2000 or the Local Authorities (Functions and Responsibilities) (England) Regulations 2000 (as amended). Whilst some Planning functions cannot be the responsibility of the Executive, the adoption of a SPD is not a specified function and therefore the adoption of the SPD is an executive function and can be approved by Cabinet.
- 7.6 When considering whether to adopt the Development Viability Supplementary Planning Document (SPD), the Council must have due regard to the need to eliminate unlawful conduct under the Equality Act 2010, the need to advance equality of opportunity and the need to foster good relations between persons who share a protected characteristic and those who don't (the public sector equality duty). An equality analysis is required which is proportionate to the functions in question and the potential impacts.

8. ONE TOWER HAMLETS CONSIDERATIONS

- 8.1 This report explains the details of the SPD and how it provides guidance as to how Development Plan policies should be applied in a development viability context when determining planning applications. The SPD allows for the

objectives of One Tower Hamlets and those of the Community Plan to be accounted for in decision-making and infrastructure delivery.

- 8.2 It is intended to provide greater clarity to both applicants and the general public, and ensures that the principles of sustainable development are at the forefront of decision-making in Tower Hamlets.

9. BEST VALUE (BV) IMPLICATIONS

- 9.1 The proposals set out in this document align with the Council's Best Value Duty and have been formed with consideration of the Best Value Strategy and Action Plan.
- 9.2 The formation of this new SPD represents an improvement in the way the Council's functions are exercised. The proposals have regard to economy, efficiency and effectiveness in that they add layers of oversight when determining planning applications to deliver viable infrastructure.

10. SUSTAINABLE ACTION FOR A GREENER ENVIRONMENT

- 10.1 The proposed SPD is accompanied by a Strategic Environmental Assessment Screening Determination and Sustainability Appraisal Review (Appendix D) which considers the effect of the proposed SPD on environmental matters, amongst other things.

11. RISK MANAGEMENT IMPLICATIONS

- 11.1 The proposals set out in this report seek to adopt a more standardised and transparent approach to managing Financial Viability Assessments submitted in support of planning applications. The measures described will help mitigate against risks associated with viability negotiations.

12. CRIME AND DISORDER REDUCTION IMPLICATIONS

- 12.1 Whilst the proposed SPD is not likely to have any direct impact on crime and disorder reduction, the SPD aims to maximise the delivery of affordable housing in the borough and therefore reduce inequality which can have a positive impact in terms of crime and disorder reduction.

13. SAFEGUARDING IMPLICATIONS

- 13.1 Not applicable.
-

Appendices

Appendix A: Draft Development Viability Supplementary Planning Document;

Appendix B: Report on Second Consultation;

Appendix C: Adoption Statement;

Appendix D: Strategic Environmental Assessment Screening Determination and Sustainability Appraisal Review;

Appendix E: Equality Analysis Quality Assurance Checklist.

Appendix F: Report on First Consultation.

Linked Report

- None

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

- None

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<p>Cabinet</p> <p>19 September 2017</p>	 <p>TOWER HAMLETS</p>
<p>Report of: Ann Sutcliffe, Acting Corporate Director, Place</p>	<p>Classification: Unrestricted</p>
<p>Approval of the Allocation of S106 Funding to Design and Fit Out of Training Centre at the former London Fruit and Wool Exchange</p>	

Lead Member(s)	<p><u>Covering Cabinet Report</u> Councillor Rachel Blake, Cabinet Member for Strategic Development</p> <p><u>Project Initiation Document:</u> Councillor Joshua Peck, Cabinet Member for Work & Economic Growth</p>
Originating Officer(s)	<p><u>Covering Cabinet Report</u> Owen Whalley, Divisional Director, Planning and Building Control, Place Directorate</p> <p><u>Design and Fit-Out of Training Centre at the former London Fruit and Wool Exchange Project Initiation Document</u> Joyce Ogunade, Economic Benefits Manager, Growth and Economic Development</p>
Wards affected	Spitalfields and Banglatown
Key Decision?	Yes
Community Plan Theme	A Fair and Prosperous Community

1. EXECUTIVE SUMMARY

1.1 This document has been formed in order to seek approval from the Mayor in Cabinet for:

1. The allocation of £500,000 in Section 106 (S106) funding to the proposals set out in the “*Design and Fit-Out of Training Centre at the former London Fruit and Wool Exchange (LFWE)*” Project Initiation Document (PID), which is attached to this Cabinet report at Appendix A.

2. The adoption of a capital estimate for the project described in this report and the attached PID.
- 1.2 The project involves the expenditure of £500,000 of S106 funding on the procurement of a contractor to undertake the design and fit-out of 500 square metres (sqm) of commercial floorspace at the redevelopment of the former LFWE. This is being provided to a 'shell-and-core' finish by the developer as part of a S106 planning obligation, and will be let to the council for a 10-year rent and service charge free period for use as a training centre. The developer is also obligated to pay a financial contribution of £500,000 to specifically cover the fit-out of the training centre.
- 1.3 The contribution is due to be received in November 2017, and the premises will be available for fit-out from April 2018 with occupation from July 2018. Given the tight timeframe for delivery, the Growth and Economic Development Service are seeking agreement of the allocation of the S106 funding in advance of the contribution being received, to enable the project to start on time, in line with the planned procurement process. The risk of not successfully accessing the funds would delay the occupation of the premises, and the council would be liable to cover all costs and expenses whilst the building is empty.
- 1.4 The training centre will offer a local skills and jobs service that will enable the local engagement of workless residents and assist them into employment.
- 1.5 Table 1 below sets out the amount requested for the project and the source of funding. Table 2 sets out the project costs and the amount that requires a capital budget to be adopted.

Table 1: Source of Funding and Overall Amount Requested for Allocation

Financial Resources			
Description	Amount	Funding Source	Funding (Capital/ Revenue)
Main Construction Works	£325,000	S106	Capital
Design Team costs (Architectural, QS, Acoustic, CDM, Planning Structural, M&E,)	£110,000	S106	Capital
Contingency (unanticipated overspend on fit out costs, legal fees)	£65,000	S106	Capital
Total	£500,000		

Table 2: Adoption of Capital Budget > Requested Amount

Project Title	Amounts	
	Overall Request	Adoption of Capital Budget > Request Amount
Design and Fit-Out of Training Centre at the former London Fruit and Wool Exchange (LFWE)	£500,000	£500,000

RECOMMENDATIONS

1.6 The Mayor in Cabinet is recommended to:

1. Approve the allocation of £500,000 of S106 funding for the design and fit-Out of a training centre at the former LFWE as profiled in the PID attached at Appendix A, and in Table 1.
2. Approve the adoption of a capital estimate of £500,000 as profiled in the PID attached at Appendix A, and in Table 2.

2. REASONS FOR THE DECISIONS

- 2.1 The Council requested and secured a 500 sqm commercial space as part of the redevelopment of the former LFWE through a S106 agreement. Securing such a facility was identified by the Growth and Economic Development Service as an opportunity to develop and expand training and employment provision in central, key areas of Tower Hamlets. This would support residents into employment and training, which is in line with the Council's Employment Strategy, One Tower Hamlets, and the Mayoral pledge to reduce unemployment in the borough, as well as assist with the local economy.
- 2.2 The S106 contribution of £500,000 is to be used by the Council specifically for the cost of fitting-out the new training facility, which will help to connect businesses with their community; increase employment; and contribute to the delivery of positive improvements to people's lives and the local economy. This would underpin the Community Plan theme of:
 - A Fair and Prosperous Community.
- 2.3 Please refer to the following associated documents/appendices for more information about the project:

- Appendix A: Design and Fit out of Training Centre - at the former London Fruit and Wool Exchange development (LFWE) PID
- Appendix B: -LFWE Site Plan

3. ALTERNATIVE OPTIONS

- 3.1 The alternative option is to not allocate the funding to this project. However the developer is still obligated to provide the premises to shell-and-core finish for use by the Council. The use of the S106 funding specified in this report is restricted to the fit out of the specific premises as outlined in the PID (attached as Appendix A), and must be spent in accordance with the legal agreement related to the development from which it originates.

4. BACKGROUND

S106

- 4.1 S106 of the Town and Country Planning Act 1990 allows a Local Planning Authority (LPA) to enter into a legally-binding agreement or planning obligation with a developer over a related issue. Planning obligations/S106 Agreements are legal agreements, negotiated between a LPA and a developer, with the intention of making development acceptable which would otherwise be unacceptable in planning terms.
- 4.2 S106 contributions must be spent in accordance with the agreement to which they relate. The contributions secured in S106 Agreements are usually tied to the need to provide a certain type of project in a defined location.³

PID

- 4.3 The background to the Design and Fit-Out of Training Centre at the former LFWE project is provided below. For further, detailed information it is necessary to consult the PID attached at Appendix A.
- 4.4 It is anticipated that the training centre space will require a medium specification 'fit-out' including suspended floor and ceilings, power stations and lighting. The Growth and Economic Development Service has consulted the Council's Building and Technical Services team to obtain estimated costs for fitting-out the premises as well as the timeline of required works.
- 4.5 The space is to be leased to the Council for 10 years on a rent and service charge free basis. The total rent for this period is estimated to be £1,000,000. After this time, the space is to be handed back to the landlord. The Council intends to sublet the premises to an external training and employment provider. The provider will be selected through the Council's procurement process and will be expected to access funding for training from external funding sources such as the Skills

Funding Agency or European Social Funding as appropriate. The Council will not provide delivery funding to the chosen provider and all bidding organisations will be expected to outline and discuss their business model and sustainability within their tender. The business rates, insurance of the premises, and all associated costs for the space would be the responsibility of the sub-tenant/training provider.

Table 3: Project Budget

Costs Breakdown	
Main Works	£325,000
Feasibility Design for project approval	£5,500
Acoustic Consultants	£4,000
Mechanical & Electrical design	£4,500
Structural Engineers	£4,500
Building Compliance Approvals/Building Control Submission	£2,000
Planning Application	£385
CDM / Principle Designer	£3,000
Architecture Team fee @ 11.5% incl; <ul style="list-style-type: none"> • Project Architect - all design and specification's translated from Client requirements • Contract Administrator - between Client and Contractor utilising traditional standard construction contract • Design Manager – managing all external designers for e.g. M&E designers to create a fully coordinated design 	£31,875
<ul style="list-style-type: none"> • External QS fees 6.5% Quantity Surveyor (subject to appointment and their fee agreement) to ensure project meets within the clients budget 	£37,375
Fire Fighting Equipment	£20,000
Porterage	£20,000
Legal costs for land searches	£780
Contingency	£41,085
Total	£500,000

**All of the above are estimated*

4.6 The £325,000 for main works is an estimation provided by the Council's internal architectural team, based on feasibility study cost estimates. This work will include, but is not limited to:

- Structural reconfigurations if necessary, such as new door openings within the existing structure.

- New internal reorganisation of the main space to the client's needs i.e. new rooms created.
 - Toilet provisions required by the end tenant.
 - M&E works essential for the end tenants needs – air con, lighting, sockets, mechanical fittings, sinks, kitchen, vent extract etc.
 - All fixtures and fittings required by the end tenant – meeting rooms, fixed storage etc.
 - All decorative works – painting, carpets, need to take the space beyond the supplied shell & core specification.
- 4.7 Tower Hamlets is the 10th most deprived area in England out of 326 local authority areas. The Council's Employment and Enterprise team have explored extending the provision of its employment and brokerage services to assist local people into jobs. Recent development work has identified a large number of workless residents in and/or around the Spitalfields and Whitechapel area of Tower Hamlets. The training centre at the LFWE will focus its engagement on the local residential area and enable the Council to extend its reach into an area of the borough where it does not have a dedicated facility.
- 4.8 Bespoke training courses developed in partnership with employers, will be delivered from the centre, with training courses linked to live vacancies or in anticipation of forthcoming opportunities. By working closely with the training provider, the Council will be able to generate more work experience placements, apprenticeships and employment opportunities for local residents with which they may not have originally been able to access. This assists in connecting local employers with the community by developing working partnerships that meet the requirements of businesses and the unemployed residents.
- 4.9 The appointed training provider will be expected to deliver training and employment support services in order to achieve the following outputs over the 10-year period:
- 1000 unemployed residents to be engaged per year;
 - 305 residents trained/upskilled per year;
 - 150 residents placed into jobs per year (1,500 residents placed into employment over the lifetime of the project).
- 4.10 The training facility and its advisers would also work alongside other services including the Council's WorkPath programme and local partners to co-ordinate the service offer, and form part of the Council's overall response to low employment/high unemployment rates. The landlord will ensure that they and future tenants of the surrounding space will make a commitment for occupiers to work with the chosen provider, for example, by committing to providing advanced information on all employment opportunities to the chosen provider.

5. COMMENTS OF THE CHIEF FINANCE OFFICER

- 5.1 This report requests that the Mayor in Cabinet approves the allocation of Section 106 resources of £500,000 to fund the design and fit-out costs of the new training centre at the former London Fruit and Wool Exchange. As a capital project, the report also seeks approval for the scheme to be incorporated into the capital programme and the adoption of the necessary capital estimate.
- 5.2 In order that spending decisions can be made during the financial year by the Infrastructure Delivery Board and the Mayor in Cabinet, an initial provision of £30 million for infrastructure delivery was incorporated within the 2016-17 capital programme, with uncommitted resources being carried forward into 2017-18 and future years as necessary. The approval to fund schemes from this budgetary provision is usually only made following the receipt of the relevant developer contributions, however in the case of the scheme proposed in this report, advance approval is sought in order that the 'fit-out' of the premises as a training centre can begin on receipt of the Section 106 resources. No firm contractual commitments will however be entered into until the income is received by the Council which is expected to be during November 2017.
- 5.3 Under the terms of Section 106 agreements PA/11/02220 and PA/11/02221 - the development at the former London Fruit and Wool Exchange - the developer was obliged to pay the sum of £1,200,000 for training related projects, made up of two elements. These consisted of a contribution of £700,000 for use by the Council "towards the provision of local training, employment and enterprise initiatives in connection with the construction and operation phases of the Development" and £500,000 for use by the Council "towards the costs of setting up the Employment and Skills Centre".
- 5.4 The Council is responsible for the capital refurbishment project and budgetary estimates for the separate elements of the works are shown in Table 3. The liability for any costs in excess of £500,000 will fall on the Council and it should be noted that the building is Grade II listed which increases the risk that unforeseen works will be required. The budget does however include a contingency sum of approximately £41,000 which will only be used if essential and will be released for allocation to other suitable projects if not required.
- 5.5 Once completed the training centre will be leased to the Council for 10 years on a rent and service charge free basis. The benefit to the Council of this rent free period is estimated at £1,000,000 over the ten year period. It is intended that the Council will, following a bidding process, sublet the centre to an external training and employment provider which will be responsible for all rates, insurance and associated costs. No

Council funding will be available to support the provider which will be expected to access external funding sources itself.

- 5.6 This report deals with projects which are funded through Section 106 resources. Often these resources come with time constraints and whilst it is important that these resources are not lost, the prioritisation of projects needs to be seen in the context of the Council's Capital Strategy. In this case, the funding must be used to finance the works to the specific training centre, however when considering the application of other section 106 resources it is important that a sufficiently broad planning horizon is adopted that reduces the risk of funding being lost, but also avoids the crowding out of other important capital priorities due to funding imperatives. These processes need to operate not only for Section 106 funded schemes but across the whole of the Council's capital resources.

6. LEGAL COMMENTS

- 6.1 This report recommends that the Mayor in Cabinet approve: the allocation of £500,000 towards the design and fit out costs for a training and skills facility at the former London Fruit and Wool Exchange; and the adoption of capital budget for that project as set out in Appendix A.
- 6.2 The £500,000 shall be sourced from a financial contribution payable to the Council under a section 106 agreement dated 28 March 2013. As a legal contract, the Council is required to spend any monies received in accordance with the terms of the section 106 agreement. When assessing the use of section 106 receipts for projects, it is therefore important to consider the provisions of each agreement from which such funding is taken. Whilst some agreements allow for a particular contribution to be spent on a type of infrastructure or project across the borough as a whole, other agreements are more specific in requiring that a contribution be linked more closely to the locality of the development.
- 6.3 In this case, the relevant section 106 agreement requires that the money be used specifically towards the costs of setting up an employment and skills centre within the development at the former London Fruit and Wool Exchange. Legal Services are satisfied that the use of the £500,000 for the project detailed in this report is in accordance with that specific purpose.
- 6.4 Legal Services note that the payment of the section 106 contribution is not anticipated until November 2017. This is the expected date 6 months before practical completion of the development at the former London Fruit and Wool Exchange which is when the monies are due under the agreement. This report recommends that the funding be allocated to the project now in advance of such receipt, for the reasons set out in paragraph 1.3 above.
- 6.5 Accordingly there are two elements of potential risk: (a) that the date of practical completion of the development is delayed and the timing of

receipt is postponed; and/or (b) the payer defaults in paying the monies on time. Whilst the Council could legally pursue the recovery of the money (with interest) should it be paid late or not at all, as with any litigation there is inevitably a degree of uncertainty. To mitigate this risk it is recommended that the Council; liaises with the developer to monitor and ensure that the anticipated timescales for payment are either met or any contingencies for delays contemplated; and it should be prepared to consider recovering any outstanding debt at the earliest opportunity.

- 6.6 When considering the recommendations in this report, regard must be given to the public sector equalities duty to eliminate unlawful conduct under the Equality Act 2010. The duty is set out at Section 149 of the 2010 Act. It requires the Council, when exercising its functions, to have 'due regard' to the need to eliminate discrimination (both direct and indirect discrimination), harassment and victimization and other conduct prohibited under the Act, and to advance equality of opportunity and foster good relations between those who share a 'protected characteristic' and those who do not share that protected characteristic

7. ONE TOWER HAMLETS CONSIDERATIONS

- 7.1 This report proposes to allocate funding to help deliver a dedicated training and skills facility for residents in the western part of the borough. In scoping this project, the objectives of One Tower Hamlets and those of the Community Plan have been considered.
- 7.2 It is envisaged that the facility, through its training programmes, will empower residents and enhance people's lives through skills development, and contribute to the reduction of inequality by increasing access to employment.

8. BEST VALUE (BV) IMPLICATIONS

- 8.1 If approved, the project referred to in this document is required to be delivered in consideration of best value implications and the Council's Best Value Strategy and Action Plan (2015).

9. SUSTAINABLE ACTION FOR A GREENER ENVIRONMENT

- 9.1 Sustainability considerations will be applied as far as possible to the use of building materials and fixtures.

10. RISK MANAGEMENT IMPLICATIONS

- 10.1 The risks relating to the delivery of this project as well as mitigating measures are set out in detail in the attached PID.

11. CRIME AND DISORDER REDUCTION IMPLICATIONS

- 11.1 Not applicable.

12. SAFEGUARDING IMPLICATIONS

12.1 There are no safeguarding implications in respect of the fit-out of the training centre. The end-user will be screened and fully trained to ensure they are competent to deliver their training packages to the highest standards with full awareness of how to address learners with additional learning needs. The Growth and Economic Development Service has clear reporting guidelines in line with council policies to enable full evaluation and investigation of training delivery. All training-providers sign up to a memorandum of understanding/service level agreement to ensure all training delivery is in line with LBTH safeguarding procedures. All training is coordinated and co-delivered by Pre-Employment Officers who maintain regular contact with the learners and trainers, and are on hand to address any issues should they arise. Additionally they also conduct thorough reviews of the training packages to ensure value for money and allowing adaptation of delivery to meet service and learner needs.

Linked Reports, Appendices and Background Documents

Linked Report

- None

Appendices

Appendix A: Design and Fit out of Training Centre - at the former London Fruit and Wool Exchange development (LFWE) PID

Appendix B: LFWE Site Plan


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

- None

Officer contact details for documents:

Joyce Ogunade, Economic Benefits Manager

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<p>Cabinet</p> <p>19 September 2017</p>	
<p>Report of: Anne Sutcliffe, Acting Corporate Director, Place</p>	<p>Classification: Unrestricted</p>
<p>Updated Conservation Strategy and Local List Nomination and Selection Process</p>	

Lead Member	Councillor Rachel Blake, Cabinet Member for Strategic Development & Waste
Originating Officer(s)	Michael Ritchie, Place Shaping Team Leader
Wards affected	All wards
Key Decision?	Yes
Community Plan Theme	A Great Place to Live

Executive Summary

The Conservation Strategy provides guidance on the management of Tower Hamlets’ heritage for a period of five to ten years. The current strategy was adopted in 2010 and is aligned with the current Local Plan. A new Local Plan is currently being developed and an updated Conservation Strategy has been prepared to support it. The updated strategy was developed with key stakeholders and was the subject of public consultation alongside the emerging Local Plan. No adverse comments were received during the consultation and the updated strategy has received the support of Historic England. The Mayor in Cabinet is asked to approve the updated Conservation Strategy.

The Tower Hamlets Local List identifies buildings and structures that, whilst not statutorily listed for their national importance, are considered to be of local importance due to their architectural, historical and townscape significance. National Planning Policy Guidance recognises local listing as a way that local authorities can identify non-designated heritage assets, the significance of which must be taken into account when making planning decisions. The Council does not currently have a formal process for adding buildings to the Local List on an ad hoc basis making it difficult to respond to requests from residents and other stakeholders to add

buildings to the list. In light of this, in January 2016, Council resolved to establish a process whereby local residents can make additions to the Local List easily. The preparation and adoption of such a process is also an objective of the draft updated Conservation Strategy. A draft nomination and selection process was prepared in accordance with Historic England guidance on local listing, and was the subject of public consultation between November 2016 and January 2017. No adverse comments were received during the consultation. The Mayor in Cabinet is asked to approve the Nomination and Selection Process.

Recommendations:

The Mayor in Cabinet is recommended to:

1. Adopt the updated Conservation Strategy (Appendix 1)
2. Adopt the Local List Nomination and Selection Process (Appendix 2).
3. Note the next steps for updating the Local List.

1. REASONS FOR THE DECISIONS

- 1.1 The National Planning Policy Framework (NPPF) requires local authorities to set out in their Local Plan a positive strategy for the conservation and enjoyment of the historic environment. It also sets out a number of criteria that should be taken into account when preparing a strategy. Whilst the current Conservation Strategy is considered to comply with the requirements of the NPPF, the new Local Plan should be informed by a strategy that is based on the most up-to-date information and that responds to any changes that have taken place in the Borough over the past six years.
- 1.2 The updated Conservation Strategy is based on the latest legislation and provides an up-to-date picture of the historic environment in Tower Hamlets. It has been prepared in consultation with key stakeholders, has been the subject of public consultation and is supported by Historic England. The adoption of the document will provide guidance for the management of heritage in the Borough and supports the emerging Local Plan.
- 1.3 The process of identifying buildings and structures as non-designated heritage assets by adding them to the Local List is recognised by National Planning Policy Guidance (NPPG). The Council does not currently have a process for adding to the Local List on an ad hoc basis. The adoption of a formal process is supported by a resolution of Council and is an objective in the updated Conservation Strategy. The process for making additions to the list will enable the Council to respond to requests from residents and other stakeholders to recognise appropriate buildings and structures as non-

designated heritage assets.

- 1.4 The Local List Nomination and Selection Process is based on Historic England guidance and received no adverse comments during public consultation.

2. ALTERNATIVE OPTIONS

To not adopt the Conservation Strategy

- 2.1 The Council may choose not to adopt the updated Conservation Strategy. This option is not recommended. Whilst the un-adopted strategy would remain part of the Local Plan evidence base, and would provide informal guidance on the management of the heritage in the borough its effectiveness would be limited.

To not adopt the Local List Nomination and Selection Process

- 2.2 The Council may choose not to adopt the Local List Nomination and Selection Process. This option is not recommended as the Council would a formal process for responding to requests from members of the public and other stakeholders to add buildings to the Local List.

3. DETAILS OF REPORT

The Conservation Strategy

- 3.1 The current Conservation Strategy, adopted in October 2010, provides guidance on the management of Tower Hamlets' heritage for a period of 5-10 years. It does so by setting out a long term vision for heritage in the Borough and a set of strategy goals that will help to deliver that vision. Each strategy goal is supported by a set of work plan objectives. The Conservation Strategy is aligned with the Local Plan and key elements of it have been integrated into the Core Strategy 2010 and the Managing Development Document DPD 2013.

Need for an updated Conservation Strategy

- 3.2 The NPPF, introduced in March 2012, requires local planning authorities to set out in their Local Plan a positive strategy for the conservation and enjoyment of the historic environment. The NPPF sets out a number of criteria that local planning authorities should take into account when preparing a strategy. The current Conservation Strategy was adopted before the introduction of the NPPF, and it is considered to be compliant with these requirements. It is important that the new Local Plan is based on the most up-to-date information and responds to any changes that have taken place in the Borough over the past six years. The update of the strategy will also provide

an opportunity to identify new ways to improve the management of heritage in the Borough.

Preparation of the updated Conservation Strategy

- 3.3 Following a competitive tender process, heritage consultants Chris Blandford Associates were appointed to review and update the Conservation Strategy. Chris Blandford Associates, who were also the authors of the original strategy, were asked to review the relevant legislation and policy changes since the adoption of the existing strategy, examine changes to heritage assets in the borough and consider the emerging development context in Tower Hamlets and the implications that this has for conservation.
- 3.4 The above baseline information was discussed at workshop attended by key stakeholders including representatives of Historic England, amenity societies and the Tower Hamlets Local History Library and Archive. Workshop attendees discussed the relevance of the long-term vision of the current strategy and the effectiveness of the current strategy goals. The outcomes of the workshop were taken into account in the preparation of the consultation draft of the updated Conservation Strategy (Appendix 1).

Consultation on updated Conservation Strategy

- 3.5 The draft updated Conservation Strategy was published as part of the evidence base supporting the new Local Plan Regulation 18 consultation. Along with the new Local Plan the updated strategy was the subject of public consultation between 11 November 2016 and 2 January 2017.
- 3.6 The majority of consultation comments received related to the Local Plan, with only Historic England commenting directly on the strategy itself.
- 3.7 Historic England supported the draft strategy, stating:

“The Strategy provides an invaluable resource in which to inform the review of the local plan. It comprehensively provides clear understanding of the issues facing Tower Hamlets historic environment, and sets out clear objectives to address them. The question is whether this evidence is being effectively used to inform other related evidence such as tall buildings and site allocations, and the policies of LP31. Our concern is that it is not, and that the Strategy although good, appears to sit in isolation and its findings and objectives have not been clearly integrated into these other key documents.”

The Local List

- 3.8 The Tower Hamlets Local List identifies buildings and structures that, whilst not statutorily listed for their national importance, are considered to be of local

importance due to their architectural, historical and townscape significance. Inclusion on the Local List does not result in additional consent requirements over and above those required for planning permission. However, local listing is a way of identifying a building or structure as a non-designated heritage asset and, as such, its significance will be a material consideration in planning decisions. The NPPF requires local authorities to consider the impact of development on the significance of non-designated heritage assets when determining planning applications, balancing the scale of any harm or loss and the significance of the asset.

- 3.9 Tower Hamlets has had a Local List in some form since the early 1980s. It initially included many of what were at one time referred to as Grade III Buildings, which were those that were considered for statutory listing but did not make the final selection. Other buildings have been added on a piecemeal basis. For example, a number of buildings were added to the list at the time that the Limehouse Cut Conservation Area was designated. More recently, 44 war memorials were added as part of a thematic review marking the centenary of the start of World War I.

Need for a Local List Nomination and Selection Process

- 3.10 The Council receives requests to add buildings to the Local List from residents, Members and other stakeholders. Such requests are often made in response to development interest (actual or anticipated) that may affect a non-designated building or structure. At present, the Council does not have a formal process for adding buildings to the Local List, nor are there any defined criteria to determine which buildings are considered appropriate for local listing, making it difficult to respond to these ad hoc requests. Officers have been collated a list of buildings that have previously been put forward for inclusion on the Local List. In light of these requests, it is considered necessary to adopt a formal process for considering additions to the Local List.
- 3.11 In addition to the above, the need to review and add to the Local List was raised in a motion at the meeting of Council on 20 January 2016, where it was resolved:
- To establish a process whereby local residents can make additions to the Local List easily.
 - To revise the Local List in its entirety as soon as possible, to include all non-designated heritage assets and historic public houses.
 - To create a local 'Heritage at Risk Register' incorporating all at risk buildings on the Local List.

- To take a proactive stance on monitoring the condition of historic local buildings on the local 'Heritage at Risk Register' through the use of notices issued by the Planning Enforcement Team.
- To protect community assets under threat from change of use by 'Article 4 Directions'.
- To implement a specific pub protection policy to be incorporated into the Local Plan as well as a separate policy to enhance community infrastructure.

3.12 Finally, the need for a Local List review is also reflected in objective 2.7 of the draft updated Conservation Strategy. This states that the Council will keep the Local List under review, including adopting a nomination and selection process for adding to the list. The adoption of a Nomination and Selection Process is an important first step in the review the Tower Hamlets Local List, enabling the Council to add further buildings and structures through a clearly defined and transparent process.

Preparation of the draft Local List Nomination and Selection Process

3.13 The draft Local List Nomination and Selection Process was prepared with reference to the publication *Local Heritage Listing: Historic England Advice Note 7* (Historic England, 2016), which provides guidance on local heritage listing in accordance with relevant policy contained in the NPPF. Examples of how other local authorities approach the nomination and selection of locally listed buildings and structures were also considered.

3.14 Appendix 2 sets out the proposed process for nominating and selecting additions to the Local List. It provides a standard form which guides residents and other stakeholders to provide relevant information to support the nomination of buildings to be added to the Local List. This includes location details, information relating to the buildings local significance and photographs. The document also sets out the criteria for local listing. It states that to be considered for inclusion on the Local List nominations should satisfy criterion one and a minimum of two other criteria:

- Local character and distinctiveness (mandatory).
- Architectural significance.
- Historical significance.
- Artistic significance.
- Age, rarity and integrity.
- Social significance.

3.15 Appendix 2 states that, following an initial officer review, the nominations will be considered by a selection panel, comprising members of the Council's Conservation and Design Advisory Panel (CADAP) and a representative from

Historic England. The panel will prepare a shortlist of local list nominations for public consultation. Comments received during the consultation will be considered by officers and, where appropriate, new additions to the list will be adopted by Cabinet on an annual basis as necessary.

- 3.16 Nominations for additions to the local list will be collated by officers and considered by the selection panel on an annual basis. This timeframe allows for adequate numbers of nominations to be submitted, reviewed and considered for inclusion on the Local List by the selection panel.

Consultation the draft Local List Nomination and Selection Process

- 3.17 The draft nomination and selection process was published on the Council's website during the Local Plan Regulation 18 consultation. Comments on the document were invited from 11 November 2016 to 31 January 2017. Awareness of the consultation was also raised via an article in the Tower Hamlets Local History Library and Archives monthly newsletter, which is sent to around 2,500 individuals and organisations with an interest in Tower Hamlets historic environment. The consultation was also featured on the influential Spitalfields Life blog and Twitter feed, which has almost 19,000 followers.
- 3.18 One resident, a local heritage activist who has previously put forward a number of buildings for local listing, offered support for the proposed selection criteria. No other comments were received in respect of the draft nomination and selection process. A number of nominations using the proposed criteria were submitted during the consultation period.
- 3.19 As noted above, the updated Conservation Strategy complies with the requirements of the NPPF and has received clear support from Historic England. No adverse comments have arisen through its inclusion in the Local Plan Regulation 18 consultation. In view of this, it is not proposed to make any significant changes to the draft updated strategy with only minor adjustments to the consultation document will be made prior to adoption. For example, some minor changes to terminology and the presentation of diagrams, and changes to address some minor errors.
- 3.20 It is also proposed to proceed with the adoption of the Local List Nomination and Selection Process. The document follows Historic England guidance and has not attracted any adverse comments through consultation.

Next steps

- 3.21 Following the adoption of the Local List Nomination and Selection Process, the selection panel will be convened in October 2017 to shortlist all current nominations. The selection panel will also consider some historic public

houses for shortlisting. Officers are currently reviewing historic public houses in the borough to identify those that may be suitable for inclusion on the Local List. All shortlisted nominations will be subject to public consultation in November and December 2017. The outcomes of this consultation and recommendations for new additions to the local list will be presented to Cabinet in March 2018.

- 3.22 In addition to the above, officers are also currently reviewing 169 of the current entries on the Local List (which excludes the 44 war memorials added in 2014), and will prepare updated descriptions of the significance of these structures. These updated descriptions will be presented to Cabinet in March 2018 for adoption along with the proposed new additions. The updated descriptions will reinforce the status of these structures as non-designated heritage assets, and will help the Council to ensure their continued preservation.

4. COMMENTS OF THE CHIEF FINANCE OFFICER

- 4.1 This report seeks the approval of the updated Conservation Strategy and Local List Nomination and Selection Process, two documents which complement each other and form part of the supporting evidence included within the Council's Local Plan.
- 4.2 The suite of documents that support the Local Plan will provide information that will underpin key decisions in relation to the allocation of the limited resources available within the borough, and will influence the shaping of the Council's Medium Term Financial Strategy and Capital Strategy. Information contained within the Conservation Strategy and the Local List will be used to support bids to third party funding providers to secure future funding streams to maintain heritage assets.
- 4.3 The costs associated with the development of the Local Plan are mainly staffing related and are financed from within existing resources. In the case of the Conservation Strategy, external heritage consultants were commissioned to review the existing strategy and to provide specialist support to staff. The consultation process that was undertaken incurred expenditure on items such as advertising, printing, hiring venues and facilitating public meetings for which there is existing budgetary provision.
- 4.4 Local heritage listing is intended to highlight assets which are of local interest in order to ensure that they are given due consideration when change is being proposed. Including a building or memorial on the Local List does not place any statutory responsibility on the property owner in terms of maintenance, repair or reinstatement of features, however local listing does indicate that

these buildings have a degree of significance which merits consideration in planning decisions. This will apply equally to Council owned sites or buildings and will need to be assessed as part of any future development proposals for affected Council assets.

5. LEGAL COMMENTS

- 5.1 As explained earlier in this report, the proposed updated Conservation Strategy and the Local List Nomination and Selection Process documents are part of the evidence base for the forthcoming Local Plan.
- 5.2 Section 38(6) of the Planning and Compulsory Purchase Act 2004 provides that decision makers are to apply the relevant policies in the Local Plan in determining planning applications, absent any overriding material considerations to the contrary. Therefore it should be noted that the applicable policies in the prospective Local Plan which are based on the evidence contemplated by these two documents could have primacy in future relevant Council development control decisions.
- 5.3 If adopted by the Council, the updated Conservation Strategy will not have the same status as a statutory planning policy document itself, but it may nonetheless have some weight as a material consideration in the planning process; given its aims and objectives in relation to heritage conservation in the Borough during the Strategy's timespan.
- 5.4 Similarly, should the Local List Nomination and Selection Process document be adopted then the local listing of any buildings designated in accordance with it shall also be a material consideration in any planning decisions relating to the same.
- 5.5 Legal Services are satisfied that the two documents have been prepared in accordance with the relevant sections of the National Planning Policy Framework and related guidance (including that produced Historic England in connection with non-statutory listing).
- 5.6 When considering whether to adopt the two documents, the Council must have due regard to the need to eliminate unlawful conduct under the Equality Act 2010, the need to advance equality of opportunity and the need to foster good relations between persons who share a protected characteristic and those who don't (the public sector equality duty). An equality analysis is required which is proportionate to the functions in question and the potential impacts and to this end an Equality Analysis Quality Assurance Checklist has been completed and is attached at Appendix 3.

6. ONE TOWER HAMLETS CONSIDERATIONS

- 6.1 Separate Equalities Assessments have been prepared for the updated Conservation Strategy and the Local List Nomination and Selection Process. Officers will continue to work with the Council's Equalities team to ensure actions are undertaken to mitigate the likely impacts on the equality profile of those affected.

7. BEST VALUE (BV) IMPLICATIONS

- 7.1 Work on the updated Conservation Strategy has been carried out by heritage consultants with additional input from officers.
- 7.2 Public consultation has been carried out on both the updated Conservation Strategy and Local List Nomination and Selection Process.

8. SUSTAINABLE ACTION FOR A GREENER ENVIRONMENT

- 8.1 There are no specific best value implications arising from this report.

9. RISK MANAGEMENT IMPLICATIONS

- 9.1 Progress of the updated Conservation Strategy and Local List Nomination and Selection Process has been reported to DMT on 19 June 2017 and CLT on 19 July 2017, which considers risk management and mitigation.

10. CRIME AND DISORDER REDUCTION IMPLICATIONS

- 10.1 There are no specific crime and disorder implications arising from this report.

11. SAFEGUARDING IMPLICATIONS

- 11.1 There are no specific safeguarding implications arising from this report.

Linked Reports, Appendices and Background Documents

- Appendix 1 Draft Updated Conservation Strategy
- Appendix 2 Draft Local List Nomination Process and Selection Process
- Appendix 3 Equality Analysis Quality Assurance Checklists

Linked Report

- None

Appendices

- Appendix 1 – Updated Conservation Strategy
- Appendix 2 – Local List Nominations and Selection Process
- Appendix 3 – Equalities Analysis

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

- None

Officer contact details for documents:

Or state N/A

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<p>Cabinet</p> <p>19 September 2017</p>	 <p>TOWER HAMLETS</p>
<p>Report of: Ann Sutcliffe, Acting Corporate Director, Place</p>	<p>Classification: Unrestricted</p>
<p>Tower Hamlets Local Plan 2031: Managing Growth and Sharing the Benefits (Regulation 19 consultation) AND Adoption of the Statement of Community Involvement (SCI) Refresh</p>	

Lead Member	Councillor Rachel Blake, Cabinet Member for Strategic Development & Waste
Originating Officer(s)	Marissa Ryan-Hernandez (Strategic Planning Manager) & Philip Wadsworth (Local Plan Place Team Leader)
Wards affected	All wards
Key Decision?	Yes
Community Plan Theme	A Great Place to Live

Executive Summary

The Local Plan is the Council’s most important planning document, guiding development to help manage future growth across the borough. A new Local Plan has been prepared to respond to local requirements and to reflect national and regional policy changes that have emerged in recent years, such as the borough’s housing target which was substantially increased through the London Plan in 2015. The Local Plan has been informed by comments received during two previous rounds of consultation and an up-to-date evidence base.

This report seeks approval to publish the proposed submission version of the Local Plan with associated Integrated Impact Assessment (IIA) and supporting evidence base documents and undertake a statutory public consultation on those documents over a six week period. Following completion of the statutory consultation, the Local Plan along with the IIA, supporting evidence base documents and representations received during the consultation on those documents will be submitted to the Secretary of State to undergo an independent examination in public. To support the new Local Plan an update to the Council’s Statement of Community Involvement (SCI) has also been prepared, for which approval is sought to adopt the amendments as a ‘SCI Refresh’ and replace the existing SCI (2012).

Recommendations:

The Mayor in Cabinet is recommended to:

1. Approve the publication of the *proposed submission version of the Tower Hamlets Local Plan 2031: Managing Growth and Sharing the Benefits* along with supporting information including an Integrated Impact Assessment (IIA), evidence base studies and other

supplementary information for a six week statutory public consultation.

2. Agree that following consultation and a resolution being taken by Council, that the plan should be submitted to the Secretary of State for independent examination;
3. Authorise the Corporate Director of Place after consultation with the Mayor, to make any appropriate and necessary minor amendments to the proposed submission version of the Local Plan and supporting documents prior to the commencement of the consultation period (regulation 19 stage);
4. Authorise the Corporate Director of Place after consultation with the Mayor to make any appropriate and necessary minor amendments to the proposed submission version of the Local Plan and supporting documents following consultation and prior to submission to the Secretary of State.
5. Adopt the *Statement of Community Involvement Refresh* as a revision of the Statement of Community Involvement (July 2012) in accordance with Section 26 of the Planning and Compulsory Purchase Act 2004. For the avoidance of doubt the adopted Statement of Community Involvement Refresh shall supercede the previous 2012 iteration.

1. REASONS FOR THE DECISIONS

- 1.1 Local Plans set a vision and framework for future development to meet local needs and opportunities and reflect national priorities, particularly in relation to housing, the economy, identification and delivery of infrastructure and protection of the environment. They are a critical tool to positively guide development decisions. The National Planning Policy Framework (NPPF) expects local planning authorities to keep plans up-to-date and also review them in whole or in part in response to changing circumstances.
- 1.2 The Council's current adopted Local Plan consists of two documents:
 - Core Strategy - this sets out the overarching vision and strategic priorities for the future of the borough (adopted in 2010).
 - Managing Development Document - this sets out more detailed policies to guide development and identifies sites to help deliver the homes and infrastructure we need (adopted in 2013).
- 1.3 Although quite recent documents, the substantial increase in the borough's annual housing target (from 2,885 to 3,931 homes) through the 2015 update to the London Plan along with recent changes to national policy and legislation mean it is appropriate for the council to bring forward a new Local Plan to manage increased growth and respond to emerging trends.

- 1.4 The preparation and adoption of new Local Plans must adhere with statutory regulations set out in the Town and Country Planning (Local Planning) (England) Regulations 2012. Regulation 19 requires the proposed submission Local Plan and supporting documents to be made available for consultation. Prior to adoption, the Local Plan along with supporting documents and representations received during the Regulation 19 consultation must be submitted to the Secretary of State to undergo an independent examination (Regulation 22).
- 1.5 The Statement of Community Involvement (SCI) (adopted in 2012) sets out how consultees can be involved in the preparation of planning documents and the determination of planning applications. Since its adoption, there have been some amendments to legislation and guidance and some terminology has become outdated. In advance of a complete review of the SCI a 'refresh' has been undertaken to ensure that the Council's obligations in progressing the new Local Plan have been met.

2. ALTERNATIVE OPTIONS

Local Plan

OPTION A: ABANDON THE NEW LOCAL PLAN & RETAIN THE EXISTING LOCAL PLAN

- The existing Local Plan has not planned for sufficient infrastructure such as schools, open space and transport to meet need arising from the borough's increased annual housing target and projected employment growth set out in the 2015 London Plan. By not allocating sufficient sites, the borough could miss out on the benefits of growth to the detriment of local people.
- The evidence on which the current Local Plan is based is becoming increasingly out-of-date (for instance, it does not reflect the most up-to-date national and regional policies and legislation). The NPPF / London Plan would become default policies on matters not addressed within the existing Local Plan, meaning local circumstances would not necessarily be reflected to guide planning applications and decisions.
- It also means that in some cases the council's ability to successfully defend refusals at appeal would be compromised.

OPTION B: PARTIAL REVIEW OF EXISTING LOCAL PLAN (WHILE RETAINING ELEMENTS OF THE NEW LOCAL PLAN)

- The vision contained in the Core Strategy (2010) no longer accurately reflects the future challenges, opportunities and aspirations of the council and local community, as set out in the Tower Hamlets Partnership Community Plan 2015. As a result, it makes sense that a new vision for the Local Plan is prepared.
- The policies in the Local Plan should be read as a whole and should be considered together as part of any review.
- Changes to population and new government legislation / guidance have rendered much of the evidence out-of-date.
- With further amendments to planning legislation and another new London Plan forthcoming, it is highly likely that a further detailed review of the existing Local Plan would be required in the near future, whereas a whole new Local Plan would have greater longevity and be easier to update should a need arise.

Statement of Community Involvement Refresh

OPTION A: RETAIN THE EXISTING STATEMENT OF COMMUNITY INVOLVEMENT (SCI)

- It is considered that the current SCI (2012) is considered to be out-of-date.
- Retaining the existing SCI would mean the Council would be at risk of not being able to demonstrate how the Local Plan consultation is fully compliant with new legislation.
- The SCI provides a benchmark against which the consultation on the Local Plan is assessed and approved by the Planning Inspectorate, and therefore should reflect current legislation and guidance in order to be effective.
- The SCI Refresh reflects changes to national and regional policy including neighbourhood planning, duty to cooperate, Community Infrastructure Levy (CIL) and updated out-dated terminology.
- Throughout the Local Plan preparation process, consultation has adhered to the most current legislation and guidance, which is not included in the current adopted SCI.

OPTION B: UNDERTAKE A COMPLETE REVIEW OF THE STATEMENT OF COMMUNITY INVOLVEMENT

- Stage 2 of the SCI review will reflect changes relating to all planning duties, including development management.
- A complete review of the Statement of Community Involvement would require substantial officer resource to produce. The priority at the current time is to ensure that immediate requirements relating to the new Local Plan and Neighbourhood Planning are addressed.
- A partial review to meet immediate needs will contribute towards a full review anticipated to be undertaken in 2018.

3. DETAILS OF REPORT

THE NEED FOR A NEW LOCAL PLAN

- 3.1 Local Plans set a vision and framework for future development to meet local needs and opportunities and reflect national priorities, particularly in relation to housing, the economy, identification and delivery of infrastructure and protection of the environment. They are a critical tool to positively guide development decisions. The National Planning Policy Framework (NPPF) expects local planning authorities to keep plans up-to-date and also review them in whole or in part in response to changing circumstances.
- 3.2 The Corporate Plan sets out a commitment to prepare a new Local Plan to appropriately manage and guide development anticipated over the next fifteen years to maximise the benefits from development for local people, and to respond to planning policy changes at a national and regional level since the adoption of the current Local Plan. Primarily, this need arises from the significant increase in the borough's annual housing target from 2,885 to 3,931 homes per year, following the adoption of a revised London Plan in 2015.
- 3.3 The government also requires us to keep our Local Plan up-to-date to ensure that it responds to changes in national and regional guidance and policies as well as projections of population and employment growth (see paragraphs 157 and 158 of the NPPF).
- 3.4 Officers are mindful that a new draft London Plan is due to be published for consultation in autumn 2017, at a similar time to the statutory public consultation on the Local Plan (Regulation 19 stage). Officers are confident that the content of our Local Plan will align with the content and direction of the London Plan as they have been working collaboratively with the Greater London Authority throughout the drafting process.

DEVELOPING A NEW LOCAL PLAN

- 3.5 The Local Plan is the borough's key planning document and is a statutory requirement. It sets out policies to guide future growth and investment, as well as secure benefits from new developments such as transport improvements and affordable housing.
- 3.6 Development Plan Documents (Local Plans) must be prepared in accordance with the Town and Country Planning (Local Planning) (England) Regulations 2012. This requires the Local Plan to be (amongst other things):
- subject to rounds of consultation;
 - submitted to the Secretary of State to undergo an independent examination in public; and
 - subject to a sustainability appraisal to test the impacts of the plan throughout its preparation (In Tower Hamlets, this process has been integrated into a single appraisal tool, known as Integrated Impact Assessment, which also includes the Habitat Regulations Assessment and Equalities Impact Assessment).

3.7 This Local Plan (regulation 19 stage) has been prepared in compliance with the regulations.

3.8 The indicative timetable for adopting the Local Plan in accordance with statutory requirements is set out in the table below.

	Key Tasks	Stage	Reporting	Timescale
1	Publish the proposed submission version of the Local Plan	Publication (regulation 19)	Full Council	October/November 2017 (6 weeks)
2	Submit the Local Plan to the secretary of state	Submission (regulation 21)		Early 2018
3	Examination in public	Regulation 24		Anticipated Spring 2018
4	Adopt the new Local Plan	Regulation 26	Full Council	Late 2018

KEY ISSUES ARISING FROM PREVIOUS CONSULTATION (REGULATION 18)

3.9 The preparation of the Local Plan has involved two rounds of public consultation (as outlined below):

Key Stages	When	Purpose / nature of stage
Our Borough, Our Plan: A New Local Plan First Steps'	January - February 2016	<ul style="list-style-type: none"> Review of new and emerging policy and legislation, market changes, political priorities etc. Outline scope of the plan Key challenges / opportunities
Tower Hamlets Draft Local Plan 2031: Managing Growth and Sharing Benefits	November 2016 - January 2017	<ul style="list-style-type: none"> Full draft Local Plan which included policies and site allocations. Extensive engagement with internal and external stakeholders and members Council's preferred approach based on evidence Public drop-in events, area-specific workshops and bespoke meetings

3.10 The Local Plan has been informed by duly made comments received from the Regulation 18 public consultations, further internal stakeholder engagement and additional or supplementary evidence base. A summary of feedback from the November 2016 – January 2017 consultation can be read in Appendix 3.

3.11 The Regulation 18 public consultation was advertised through a variety of methods to promote engagement from as broad a range of persons as possible. This included directly notifying statutory consultees and persons registered to the Council's planning policy database by e-mail or letter, publishing a public notice in local press, utilising the Council's social media and displaying adverts at bus stops around the borough.

3.12 A number of events and meetings were held as part of consultation. This included drop-ins around the borough at which the public were able to view information and

documents and gain assistance from officers, area-based workshops, bespoke meetings with specific groups such as the Youth Council, Local Voices (a local disability group) and the Tower Hamlets Housing Forum, and engagement with statutory consultees, key stakeholders and specialist officers from across the Council.

3.13 In total 103 representations were received which contained 908 separate comments. The following were the topics to receive most comments:

- Sustainable Places (which included Site Allocations) – 21.8%
- Design and heritage – 15.3%
- Housing – 11.7%
- Economy and jobs – 7.7%

3.14 The following points outline the nature of the primary changes to the Local Plan compared to the previous consultation during the Regulation 18 stage as a result of the consultation and engagement highlighted above and further evidence:

- Additional policies have been introduced and existing policies amended to address the recommendations arising from new or updated evidence and comments received during consultation.
- Alterations have been made to address the government's soundness tests and/or legal compliance.
- Alterations have been made to policies and supporting text to ensure they are positively worded and/or to improve soundness.
- Policy designation boundaries and site allocations have been reviewed, with some being amended or removed.
- General changes have been made to improve the formatting and readability of the document.

3.15 To establish the principles and appropriateness of implementing the above changes so as not to contravene the relevant regulations or the spirit in which they are intended, officers have sought advice from the Council's legal services and external counsel. Additional evidence has been produced to support the Local Plan on key challenges arising from the previous consultation and where it is anticipated there will be particular challenge and scrutiny as we prepare for or present at Examination in Public. Additional further support and expertise may be required to defend the Council's position on these and other topics.

TOWER HAMLETS LOCAL PLAN: MANAGING GROWTH AND SHARING THE BENEFITS (REGULATION 19 PUBLICATION STAGE)

3.16 The Local Plan combines both strategic and detailed policies in a single document, as per the Government's advice. It covers a fifteen year period, from 2016 until 2031.

3.17 The vision is derived from the existing Council's strategy and plans, as well as a number of discussions with the Mayor and Cabinet. Underpinning the vision, officers have developed two key objectives, which are linked to a series of principles and implementation actions and will be delivered through a development strategy and a series of supporting policies. The vision has largely remained the same as the Regulation 18 consultation document, with some minor amendments.

- 3.18 Policies are divided into two types.
- Spatial policies. These set out the overarching requirements and land designations covering different themes.
 - Development management policies. These provide further guidance on the spatial policies where it is considered appropriate and relevant.

- 3.19 Site allocations have been identified detailing the land use and infrastructure requirements as well as the design principles and delivery considerations.

PUBLIC CONSULTATION AND NEXT STEPS

- 3.20 It is critical that the timetable set out in paragraph 3.6 above is adhered to so that the new Local Plan can be adopted as quickly as possible to guide development and help secure community benefits. The progress of the Local Plan and associated risks is closely monitored through a risk register (see Appendix 5), which is kept under review.
- 3.21 Full details of the consultation and engagement activities planned in support of the new Local Plan have been developed with the Council's communications team and are attached in Appendix 4.
- 3.22 The consultation on the Local Plan (regulation 19 stage) is anticipated to start on 2nd October 2017 and run for six weeks until 12th November 2017. The start date for the consultation takes into account the ten day 'call-in' period following Cabinet. The consultation period exceeds statutory requirements and meets the standards set in the Statement of Community Involvement (see paragraphs 3.26-3.29 below).
- 3.23 The Local Plan will be published on the Council's website and residents and stakeholders will be able to make comments on the document online, by email or by post. The website will also contain details of all the consultation activities which will also be publicised in the local press well in advance of the events.
- 3.24 The visual appearance and layout of the version published for consultation will differ slightly from the version presented to Cabinet. This is because the document is being uploaded to the Council's consultation portal which cannot support the document in its current format.
- 3.25 The six week consultation is the last opportunity for the public and stakeholders to influence the content of the plan. At this stage, we are seeking views on whether the Local Plan and supporting information and evidence is sound (i.e. appropriate, based on robust evidence and consistent with government policy) and legally compliant.
- 3.26 In line with the timetable set out in paragraph 3.7 above, feedback obtained through this regulation 19 statutory consultation alongside the Local Plan will be sent directly to the Planning Inspectorate, who will consider these representations during the examination in public.
- 3.27 Officers will seek to work with those who have submitted representations objecting to elements of the Local Plan and its supporting information and evidence prior to

Examination in Public. The objective will be to address matters informally and prepare Statements of Common Ground. Matters that cannot be resolved or that require greater discussion will require the input of the Inspector.

- 3.28 Following the examination in public, the Council will seek to adopt the new Local Plan, subject to the inspector's modifications. At this point, it will formally replace the current adopted Local Plan (the Core Strategy and Managing Development Document).
- 3.29 In advance of adopting the new Local Plan, the Council can begin to apply weight to the draft policies. The material weight of the policy strengthens the closer the Local Plan is to adoption, particularly following the conclusion of the examination in public and receipt of the inspector's recommendations.

STATEMENT OF COMMUNITY INVOLVEMENT

- 3.30 The Statement of Community Involvement (SCI) must be prepared in accordance with the Planning and Compulsory Purchase Act 2004.
- 3.31 The council's SCI has been refreshed to bring the document up-to-date following changes to planning policy legislation and guidance at national and regional level. These reflect changes relating to the plan making process, namely the principles of consultation in relation to neighbourhood planning, community infrastructure levy and the duty to cooperate.
- 3.32 The SCI was subject to public consultation alongside the regulation 18 document in November 2016. Two consultation responses were received. One of the consultation responses received from Historic England suggested minor amendments to Section 14 of the SCI to align with the 2015 Directions – Arrangements for handling heritage applications. This is considered a development management matter and will be addressed during a second phase of the SCI review. The second representation received from Natural England supported the SCI refresh and the principle of meaningful and early engagement of the general community, community organisations and statutory bodies in local planning matters.
- 3.33 The revised SCI (see Appendix 6) will require approval from Cabinet alongside the proposed submission version of the Local Plan in September 2017.
- 3.34 A second stage of the SCI update is needed to review the principles of consultation in relation to the development management process, with the intention to go out to public consultation in summer 2018.

CONCLUSIONS

- 3.35 The Local Plan draws on a wide range of sources, including regulation 18 responses, discussions with the Mayor, members, internal officers and external stakeholders and on the recommendations of an extensive supporting evidence base.
- 3.36 In order to deliver a new Local Plan within the proposed timeframe, it is essential that the Mayor in Cabinet supports the recommendations of this report and the progress of the document to Full Council following the close of consultation.

- 3.37 In order to ensure that the most recent consultation requirements are adhered to, an update to the Statement of Community Involvement has been made.

4. COMMENTS OF THE CHIEF FINANCE OFFICER

- 4.1 This report seeks approval to undertake consultation on the proposed Tower Hamlets Local Plan 2031 and, following the statutory consultation period, to submit the Plan along with the representations received to the Secretary of State.
- 4.2 Whilst there are no specific financial consequences arising directly from the recommendations in the report, ultimately the Local Plan will underpin key decisions in relation to the allocation of the limited resources available within the borough, and will influence the shaping of the Council's Medium Term Financial Strategy and Capital Strategy. In particular it will provide the basis for estimating the need for and cost of providing Council services based on changes to the borough's population together with the additional revenue generated from locally generated funding sources – Council Tax and increasingly Business rates.
- 4.3 The various studies and evidence required to support the plan set out some of the challenges that the Authority and its partners may face over coming years as a result of demographic and economic growth. Individual infrastructure developments will need to be subject to detailed planning at the appropriate time, including consideration of the financial impact on both partner organisations and on the Council. The Local Plan and supporting data will also provide evidence to determine the charging schedules in relation to Section 106 obligations and the Community Infrastructure Levy, and to inform decisions concerning the appropriate use of the resources secured.
- 4.4 The main costs associated with the development of the Local Plan are staffing related and are financed from within existing resources. The consultation process will lead to expenditure on items such as advertising, printing, hiring venues and facilitating public meetings for which there is existing budgetary provision.

5. LEGAL COMMENTS

- 5.1 This report seeks the approval of the Mayor in Cabinet for the proposed submission version of *The Tower Hamlets Local Plan 2031: Managing Growth and Sharing the Benefits* (“the proposed Local Plan”) to proceed to public consultation. The report also asks the Mayor to agree that following the close of consultation and a resolution having been taken by Full Council, that the submission version of the proposed Local Plan be submitted to the Secretary of State for independent examination, along with supporting documents. The report also asks the Mayor in Cabinet to adopt the Statement of Community Involvement Refresh as a revision to the 2012 version.

The Local Plan

- 5.2 It is a statutory requirement for a local planning authority (LPA) to identify the strategic priorities for the development and use of land in the authority's area, and the policies to address these priorities must be set out in the LPAs development plan documents (DPDs), save where policies to address those priorities are set out in the spatial development strategy (the London Plan).

- 5.3 The Council's Local Plan once adopted will, along with the London Plan, form the Council's development plan (along with any neighbourhood plans that might follow). Together these documents are the key planning policy against which planning applications and permissions in principle will be assessed, and Section 38(6) of the Planning and Compulsory Purchase Act 2004 (the PCPA 2004) provides that if regard is to be had to the development plan for the purpose of any determination to be made under the planning acts, the determination must be made in accordance with the plan unless material considerations indicate otherwise.
- 5.4 The preparation/consultation, examination and adoption of a DPD is controlled by the PCPA 2004, The Town and Country Planning (Local Planning) (England) Regulations 2012 (the 2012 Regulations) and the National Planning Policy Framework. The regulations provide two stages of statutory consultation for the preparation of a DPD. In respect of the draft Local Plan the first stage of consultation was carried out between November 2016 and January 2017, and this report seeks permission for the second stage of consultation to commence.
- 5.5 Pursuant to Section 19 of the PCPA 2004 as part of the Council's development plan, the Local Plan must:
- a. be prepared in accordance with the Council's Local Development Scheme; and
 - b. taken as a whole include policies designed to secure that the development and use of land in the Council's area contribute to the mitigation of, and adaptation to, climate change.
- 5.6 The Local Plan must be in general conformity with the Spatial Development Strategy for London (known as the London Plan).
- 5.7 Section 19 of the PCPA 2004 and Regulations 8, 9 and 10 of the 2012 Regulations set out the requirements for Local Plans, and matters to which the Local Planning Authority must have regard in preparing the plan. *Inter alia* in preparing the Local Plan the Council are required to:
- have regard to *inter alia* national policies and advice contained in guidance issued by the Secretary of State and the Spatial Development Strategy for London (i.e. the London Plan);
 - comply with the Council's Statement of Community Involvement;
 - carry out an appraisal of the sustainability of the proposals in the document and prepare a report of the findings of the appraisal; and
 - comply with the duty to co-operate with other local planning authorities and prescribed bodies and persons in respect of strategic matters.
- 5.8 Consultation must be carried out in accordance with the 2012 Regulations and the Council's Statement of Community Involvement. The Consultation and Engagement Strategy (Appendix 3) set out how the Council will meet these requirements. During the consultation period representations will be invited from the public and key stakeholders for a 6 week period running from the date of local advertisement.

Following this consultation, the Local Plan will be submitted to Full Council, to approve its submission to the Secretary of State for examination. This is because the Local Authorities (Functions and Responsibilities) (England) Regulations 2000 provide that the process of preparation of a DPD is an Executive responsibility but the formal process of submission to the Secretary of State and its adoption are the responsibility of Full Council (Regulation 4). It is also noted that a DPD is a plan which must by statute to be included in the Council's policy framework. The Budget and Policy Framework Procedure as set out in Part 4.3 of the Council's Constitution therefore applies.

- 5.9 As a DPD the Council are required to submit the proposed Local Plan, along with all relevant documents and information to the Secretary of State for independent examination. An inspector will be appointed by the Secretary of State who will determine whether the Local Plan satisfies the relevant statutory requirements, whether it is sound and whether the Council have complied with the duty to co-operate.
- 5.10 Following public examination the Inspector will issue a report making recommendations as to the soundness of the DPD which the Council must publish. Following receipt of the report the Council will seek to formally adopt the final Local Plan in line with the Inspector's recommendation. Full Council will be asked to formally endorse adoption at that time.

The Statement of Community Involvement

- 5.11 The Council's statutory duty to prepare a SCI is set out under Section 18 of the PCPA 2004. A SCI is a statement setting out how the Council will involve persons interested in the development of land in the area, in the exercise of the Council's planning functions. Section 18(3) provides that the SCI is a Local Development Document subject to it being adopted by the Council (as per Section 17(8) of that Act).
- 5.12 Previous changes to legislation reduced the scope of the procedural requirements for the consultation and adoption of SCIs (or amendments thereto) and there is no longer an express statutory requirement for consultation. It was felt however, that it is implicit from Section 23 of the PCPA 2004 that such adoption may be subject to consultation (i.e. the proposed revised SCI can be modified to take account of any representations received prior to such adoption) even though it is no longer expressly required by the 2012 Regulations. Moreover, it was considered that there could be a common law duty on the Council to consult as an aspect of the duty of fairness, and that given its importance, it would be good practice and fair that interested persons are aware of any proposed changes to the SCI and given an opportunity to comment on them before they are made. Accordingly consultation was carried out which is considered to have met the legal principles for consultation. The Mayor in Cabinet should give formal consideration to the outcome of the consultation (as detailed in paragraph 3.33) before deciding whether to adopt the revised SCI.
- 5.13 Once adopted, the revised SCI should be publicised on the Council's website.

Equalities

- 5.14 In carrying out the function of preparing a Local Plan and a Statement of Community Involvement, regard must be given to the public sector equalities duty to

eliminate unlawful conduct under the Equality Act 2010. The duty is set out at Section 149 of the 2010 Act. It requires the Council, when exercising its functions, to have 'due regard' to the need to eliminate discrimination (both direct and indirect discrimination), harassment and victimization and other conduct prohibited under the Act, and to advance equality of opportunity and foster good relations between those who share a 'protected characteristic' and those who do not share that protected characteristic.

- 5.15 In respect of the Local Plan this report indicates that an equalities impact assessment has been carried out as part of the Integrated Impact Assessment. The Integrated Impact Assessment will also ensure that the Council complies with its duties under the Conservation of Habitats and Species Regulations 2010 and the Environmental Assessment of Plans and Programmes Regulations 2004.
- 5.16 In respect of the SCI an equality analysis has been carried out which concluded that the project does not appear to have any adverse effects on people who share protected characteristics and no further actions are recommended.

6. ONE TOWER HAMLETS CONSIDERATIONS

- 6.1 For the Local Plan, a full equalities screening and Equalities Impact Assessment (EqIA) has been prepared and is included as part of the Integrated Impact Assessment. It noted that a full EqIA is not necessary at this stage in the process as the draft Local Plan had exhibited due regard to the Council's Public Sector Equality Duty. Policies on safeguarding and provision of accommodation for Gypsies and Travellers were positive and the provision of adaptable and accessible accommodation will bring positive outcomes for the disabled and others. For the Regulation 19 consultation contact will be made with all groups, including those identified in the Council's Single Equality Framework, that were contacted during the previous stage of consultation. Officers will continue to work with the Council's Equalities team to ensure actions are undertaken to mitigate any impacts on the equality profile of those affected by the Local Plan.
- 6.2 An Equalities Analysis has also been undertaken for the SCI Refresh and it is included as Appendix 7. It concluded that the project does not appear to have any adverse impacts on people who share Protected Characteristics and no further actions are recommended.

BEST VALUE (BV) IMPLICATIONS

- 7.1 The new Local Plan will enable the Council to continue to ensure that the delivery of housing, infrastructure and other new development is optimised, and that social, economic and environmental benefits continue to be secured and shared across the borough and beyond. The development of sites following the policies and guidance contained within the new Local Plan will generate Section 106 and Community Infrastructure Levy (CIL) contributions, where relevant. This may include the delivery of new affordable housing, local enterprise and employment opportunities, public realm enhancements and transport infrastructure.

8. SUSTAINABLE ACTION FOR A GREENER ENVIRONMENT

8.1 A Sustainability Appraisal (SA) is a legal requirement for the preparation and development of a Local Plan. Under the Planning and Compulsory Purchase Act 2004, a Sustainability Appraisal must comply with the requirements of a Strategic Environmental Assessment (SEA). The SEA ensures environmental issues are incorporated into the Local Plan and assessed in decision-making throughout the entire plan making process. The SA report will be submitted to the Secretary of State alongside the new Local Plan as part of the IIA. An IIA summary is included with this report as Appendix 2.

9. RISK MANAGEMENT IMPLICATIONS

9.1 Throughout the drafting process of the new Local Plan it has been regularly reported and presented to a number of internal groups that consider risk management issues and mitigation measures. These have included:

- Local Plan Internal Stakeholders Group
- Development and Renewal Directorate Management Team; and
- Corporate Management Team

9.2 A Project Initiation Document (PID) was approved by the Corporate Leadership Team (CLT) in May 2015. Officers have worked collaboratively across the relevant services on developing the new Local Plan and its evidence base through CLT and a Local Plan Internal Stakeholder Group. The Mayor of Tower Hamlets and Lead Member for Strategic Development and Waste have been briefed frequently on the new Local Plan, providing significant input into the development of the Local Plan.

10. CRIME AND DISORDER REDUCTION IMPLICATIONS

10.1 The Local Plan contains policies that seeks to ensure the design of developments minimises opportunities for crime and creates a safer and more secure environment.

11. SAFEGUARDING IMPLICATIONS

11.1 The Local Plan is not considered to give rise to any safeguarding implications.

Linked Reports, Appendices and Background Documents

Linked Report

- NONE

Appendices

- Appendix 1: Proposed submission version of the *Tower Hamlets Local Plan 2031: Managing Growth and Sharing the Benefits*
- Appendix 2: Integrated Impact Assessment
- Appendix 3: A summary report of the second stage of public consultation on the draft Local Plan (Regulation 18)
- Appendix 4: Consultation and Engagement Strategy Publication Stage (Regulation

19)

- Appendix 5: Risk register
- Appendix 6: Statement of Community Involvement Refresh
- Appendix 7: Statement of Community Involvement Refresh Equality Analysis Quality Assurance Checklist

Background Documents (will be published for the consultation)

- Green Grid Strategy Update (2017)
- Historic England Heritage at Risk Register
- Housing Delivery Strategy (2017)
- Indoor Sports Facilities for the Future (2017-2027)
- Tall Buildings Study (2017)
- Open Space Strategy (2017)
- Parking and Freight Study (2017)
- Preferred Office Location Boundary Review (2017)
- Pubs in Tower Hamlets – An Evidence Base Study (2017)
- Site Allocations Methodology (2017)
- Small Sites Affordable Housing (2017)
- Strategic Housing Market Assessment (2017)
- Viability Assessment (2017)
- Waste Management Evidence Base Review (2017)
- Water Space Study (2017)

Officer contact details for documents:

Philip wadsworth

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<p>Cabinet Decision</p> <p>19 September 2017</p>	
<p>Report of: Ann Sutcliffe, Acting Corporate Director, Place</p>	<p>Classification: Unrestricted</p>
<p>Article 4 Direction – Office (B1a) to Residential (C3)</p>	

Lead Member	Councillor Rachel Blake, Cabinet Member for Strategic Development & Waste
Originating Officer(s)	Marissa Ryan-Hernandez (Strategic Planning Manager), Tom Clarke (Planning Officer)
Wards affected	Bethnal Green; Blackwall & Cubitt Town; Bow West; Canary Wharf; Limehouse; Mile End; Poplar; Spitalfields and Banglatown; St Katharine’s and Wapping; St Dunstan’s; St Peter’s; Weavers; Whitechapel
Key Decision?	Yes
Community Plan Theme	A fair and prosperous community

Executive Summary

Article 4 directions remove permitted development rights (the ability to undertake certain forms of development without a full planning application) where there is a local need or justification for doing so. In May 2013 a new permitted development right was introduced allowing change of use from offices (Use Class B1(a)) to residential (Use Class C3) with the exception of fifty important clusters of offices around the country of which two are in the borough – the ‘Central Activities Zone’ and ‘Tech City’ boundaries in the west and the north of the Isle of Dogs including Canary Wharf. Those exemptions will cease on 1st June 2019 after which the Council would lose its ability to manage such conversions through the planning system. In light of a significant proportion of the borough’s office floorspace being located within those areas, compounded by high land values making residential development attractive, there could be a negative impact on the borough’s supply of office floorspace, jobs and ability to meet future employment projections and the needs of the borough’s residents. There is no obligation for conversions made through this form of permitted development to provide affordable housing, to accord with minimum space standards or provide amenity space that would ordinarily be expected of new development.

The Mayor of London has encouraged Article 4 directions covering offices to residential to be brought forward for when the current exemptions cease. Article 4 directions do not mean that a certain type of development cannot take place, merely that proposals are properly considered through the development management

process with a full planning application required. As such, this report seeks approval to make an Article 4 direction to take effect when the current exemption ceases and to commence a period of statutory public consultation. The Article 4 direction will be presented back to Cabinet for permission to confirm, cancel or modify the Article 4 direction once consultation has been carried out.

Recommendations:

The Mayor in Cabinet is recommended to:

1. Agree the making of an Article 4 direction removing permitted development rights from offices (B1(a)) to residential (C3) within the areas shown on the map attached as Appendix 1;
2. Note that following the making of an Article 4 Direction, statutory public consultation will be carried out on the Article 4 direction (Appendix 2); and
3. Agree that should re-consultation be required due to amendments from the Secretary of State, or following consideration of representations received during the period of statutory consultation, that such further consultation may be undertaken with the authority of the Corporate Director, Place due to the urgent need to have the Article 4 direction confirmed by 1st June 2018.

1. REASONS FOR THE DECISIONS

- 1.1 Permitted development between offices (use class B1(a)) and residential (use class C3) was introduced in May 2013. The Council objected to this form of permitted development, but in common with other inner-London boroughs was successful in gaining an exemption which covered the west of the borough (City Fringe) and the north of the Isle of Dogs. The areas of exemption covered most of the borough's designated office/employment locations which include areas of global economic significance (Canary Wharf) and a significant quantum of office space (such as Aldgate). An unmanaged loss of office space in those locations could have a negative impact on the borough's supply of office floorspace, jobs and the ability to meet future office and employment growth projections as set by the London Plan.
- 1.2 The current exemption will cease on June 1st 2019. The Council is able to remove permitted development rights where there is local justification for doing so, and therefore maintain the areas of exemption, by implementing what is termed an Article 4 direction.
- 1.3 There are two types of Article 4 direction – 'immediate' and 'non-immediate'. An immediate Article 4 direction takes effect either immediately following its issue, or at a time within one year of being issued. A 'non-immediate' Article 4 direction takes effect at least one year after being issued, but no later than two years after issue. The main difference is that if the Article 4 takes effect less than one year from issue, compensation is payable to affected landowners. After one year, there is no compensation. In this case an immediate article 4 is not necessary because the exemption is in place until 1st June 2019 which in principle allows sufficient time to prepare an Article 4

by 1st June 2018.

- 1.4 This Article 4 direction is supported by a justification report, attached as Appendix 2. The attached report is itself underpinned by national and regional guidance and the Council's Local Plan evidence base on employment (Employment Land Review (2016) ("ELR") and forthcoming Preferred Office Location Study (2017)). The Mayor of London is supportive of London's existing areas of exemption being retained, articulated in particular through the Central Activities Zone Supplementary Planning Guidance (CAZ SPG) and City Fringe Opportunity Area Planning Framework (OAPF). The importance of offices to the existing exemption areas is also demonstrated through the fact they were exempted in the first place.
- 1.5 The Council has used this opportunity to explore the potential to remove permitted development on offices to residential in other parts of the borough not covered by the existing exemption. This has resulted in the following areas being additionally included within the Article 4 direction, which are supported by recommendations within the ELR:
- The designated town centre (Neighbourhood Centre) at Mile End.
 - The remaining areas of Cambridge Heath and Whitechapel that fall outside of the existing exemption zone but within existing or proposed Local Plan designations (employment and town centres).
 - The designated Local Office Location (Local Employment Location within the emerging Local Plan) at Blackwall.
- 1.6 A borough-wide Article 4 direction is not considered as appropriate due to the Council not having evidence to justify one. The ELR advocates a "targeted" approach to focus on locations such as the Central Activities Zone/City Fringe, designated employment locations and town centres. A previous attempt in Islington to implement a borough-wide Article 4 was refused by the Secretary of State on the basis of it being applied "disproportionately" with insufficient evidence to justify the approach. A less comprehensive boundary was subsequently agreed. Officers therefore consider the proposed boundary of this Article 4 to be proportionate, protecting the borough's existing supply of office floorspace where it is most important and viable while according with the spirit of the permitted development to help meet housing targets elsewhere.
- 1.7 There are statutory requirements that must be addressed to comply with legislation, in particular a period of formal public consultation before the Article 4 is confirmed (adopted) by Council. When introduced with sufficient notice (the Article 4 direction taking effect at least one year after confirmation) the Council would not need to pay compensation to any landowners disadvantaged by the Article 4 direction. Therefore it is essential that the proposed Article 4 is confirmed by 31st May 2018 at the latest which means according with the proposed timescales set out in paragraph 3.15.
- 1.8 If following public consultation there is a need to re-consult (in the experience of other authorities this is primarily as a result of direction by the Secretary of

State), the 31st May 2018 deadline would most likely be missed if permission had to be sought from Cabinet. Therefore it is proposed that any modifications arising and permission to re-consult are agreed through the delegated authority of the Corporate Director for Place.

2. ALTERNATIVE OPTIONS

ALTERNATIVE OPTION A: NO ARTICLE 4 DIRECTION IS ISSUED

- 2.1 The Council could decide not to introduce this Article 4 direction. This option is not recommended, as without the ability to effectively assess proposals for change of use from offices through the planning system it is likely the borough's supply of office floorspace and the success and viability of key employment locations would be undermined. The importance of those areas has been established by their inclusion within the existing areas of exemption. The loss of offices would compromise the borough's ability to meet employment projections and maximise jobs for local people. It would also mean that the Council would not be able to manage the location, size, tenure mix or quality of new housing being produced through permitted development.

ALTERNATIVE OPTION B: ARTICLE 4 DIRECTION IS ISSUED FOR THE WHOLE BOROUGH

- 2.2 The Council could decide to introduce an Article 4 direction for the whole borough. This option is not recommended. The existing exemption area which this Article 4 direction would replicate contains the most viable and important areas of existing office floorspace which are generally located within the most accessible parts of the borough. This Article 4 already seeks to slightly extend the existing exemption by including parts of the Cambridge Heath and Whitechapel designated town centres/proposed Local Employment Locations (LELs) outside of the existing exemption zone, the designated Local Office Location (LOL) at Blackwall (proposed to be re-designated as a Local Employment Location (LEL) within the emerging Local Plan), and the Mile End designated neighbourhood town centre as recommended by the Council's evidence base (Employment Land Review 2016). Our evidence does not justify an Article 4 direction elsewhere but it does recommend the "targeted" approach being proposed. An recent attempt by London Borough of Islington to introduce a borough-wide Article 4 direction was refused by the Secretary of State. There is an urgent need to have the Article 4 direction in place by 1st June 2018. This key deadline could be compromised if the Council undertook the risky strategy of attempting a borough-wide Article 4, as this would require further and more extensive research which may not support the case, be more prone to challenge and could be more challenging to defend.

3. DETAILS OF REPORT

- 3.1 On 30th May 2013 the Town and Country Planning (General Permitted Development) Order 1995 was amended to enable permitted development – in other words a change of use without need for a full planning application – from offices (B1(a)) to residential (C3) via a process known as “Prior Approval”.
- 3.2 This was initially introduced for a period of three years, but was subsequently made permanent. Offices need not be vacant in order for the permitted development to apply. The only stipulation was that they had been in office use (B1(a)) prior to 30th May 2013 and that there were no concerns for the local authority arising from:
- Transport and highways impacts of the development
 - Contamination risks on the site
 - Flooding risks on the site
- 3.3 Properties coming into use as offices from 30th May 2013 or later were not eligible for this form of permitted development.
- 3.4 The Government’s intention to introduce this permitted development right was communicated to local authorities in January 2013. At that point they were given the opportunity to apply for exemptions, with the Council duly making such an application while also objecting to this permitted development right more generally.
- 3.5 The application for exemption was successful in part, with two exemption areas being agreed within the borough. These were:
- The area of the borough to the west which is covered by the GLA’s City Fringe Opportunity Area Planning Framework and the Central Activities Zone designation.
 - The area of the borough to the east which is covered by the Isle of Dogs Community Infrastructure Levy (CIL) charging schedule.
- 3.6 Both of those areas contain a significant volume of existing and potential B1(a) floorspace including employment clusters of international significance and strategic importance to London. Land values for residential use are very high in those areas, making residential development lucrative in comparison to commercial uses. Without the exemption, it is likely that a significant quantum of B1(a) floorspace may have been lost. However, the exemption will cease on 31st May 2019.

Mechanism to maintain exemption from PD

- 3.7 In order to remove permitted development to respond to local circumstances, local authorities may bring forward what are termed ‘Article 4’ directions. Article 4 directions may be brought forward as ‘non-immediate’ to take effect between one-two years from notice being issued or ‘immediate’ in which case

for a one year period local authorities are liable to compensate landowners affected by the Article 4. Compensation is the difference between the capital value of the property had permission been granted and the capital value of the property without planning permission. For example, if with planning permission a property is valued at £1,000,000 but without the value is £600,000, the Council would have to pay the landowner £400,000 if an application is submitted but refused. There is no reimbursement due for fees associated with attempting to obtain planning permission. To avoid compensation payments, non-immediate Article 4 directions can be made which take effect at least one year from the date of confirmation.

- 3.8 In most cases the local authority would need to make a decision on the urgency of the Article 4 direction; in other words assessing whether an immediate Article 4 direction is necessary due to the extent of loss (or potential loss) of employment space irrespective of compensation liabilities, or whether a non-immediate Article 4 direction to avoid compensation is more appropriate. Tower Hamlets benefits from knowledge that its existing exemptions from permitted development will cease on 31st May 2019. Therefore an immediate Article 4 direction need not be a consideration, unless the timetable set out in paragraph 3.15 is not adhered to.

The need for an Article 4 direction

- 3.9 The importance and significance of employment land (within the 'B' uses of the Town and Country Planning (Use Classes) Order 1987 (as amended)) and floorspace for providing jobs and fuelling economic growth and regeneration in the borough is recognised by the Council. Alongside economic growth strategies and programmes of support for local enterprise, the Council actively seeks to protect and improve such business land and floorspace through the planning process by protecting existing viable employment land and floorspace, designating key employment clusters and areas of employment activity and supporting new employment space in the most viable locations. This not only supports existing businesses, helping them to thrive, but also to encourage new enterprise and growth to provide job opportunities for local people.
- 3.10 Prior to introduction of this PD, the provision of B1(a) floorspace in the borough could be fully managed through the planning system to ensure proper consideration of proposals which might result in the loss or reduction B1(a) floorspace. Since its introduction, the ability of the Council to maintain sufficient floorspace to help meet future projected need has been undermined.
- 3.11 Much employment space in the borough is within the B1(a) office use class. Offices also make up the bulk of the borough's significant projected future employment growth as set out in the Greater London Authority's (GLA) London Plan and this is reflected by the recent 'Employment Land Review' (ELR) (2016) produced as evidence for the Council to support its own new

Local Plan (anticipated to be adopted in 2018). The London Plan projection is for 125,000 new jobs by 2031.

- 3.12 The ELR identified a significant shortfall of 547,000sqm of office space to meet the London Plan projection. That means it is essential that there is no unmanaged loss of existing office floorspace; any loss through permitted development would further compound the existing deficit.
- 3.13 Furthermore, residential developments arising from permitted development from offices are not required by the legislation to provide the affordable housing, amenity space, child playspace or minimum space standards that might be expected of proposals subject to full planning applications. Given the height and scale of many existing office buildings within the exemption areas, it is quite plausible that residential conversions would severely constrain the Council's ability to provide sufficient affordable housing to meet identified need and to ensure appropriate living standards for the health and wellbeing of future residents.

Timetable

- 3.14 Without the Council making an Article 4 direction to remove permitted development, as is advocated by the GLA, there is a risk that the employment function of many of the borough's key employment areas would be undermined and the ability to meet projected future growth would be constrained. Therefore the Council should take steps to maintain the current exemptions in place beyond the cessation date of 31st May 2019; an Article 4 direction must be confirmed by 1st June 2018 to avoid any payment of compensation. That deadline is critical, as due to the high land values in the borough the Council's financial liability should an immediate Article 4 direction become necessary could be considerable.
- 3.15 In order to confirm the Article 4 direction by the 1st June 2018 the following timescale is proposed:

Article 4 Direction Key Stages		
1	Approval of the making of the Article 4 Direction and permission to commence statutory public consultation	19 th September 2017
2	Public consultation	October-December 2017
3	Confirmation of Article 4 Direction by the Mayor in Cabinet	March 2018
4	Notice of Article 4 Direction published	1 st June 2018
5	Article 4 Direction takes effect	1 st June 2019

- 3.16 It is essential that public consultation takes place between October and November 2017 in order to confirm the Article 4 direction by the deadline of 1st June 2018 to avoid the risk of compensation by not giving one year's notice before 1st June 2019. This is because there is a risk that a re-consultation may be necessary if a significant amendment to the Article 4 boundary is

necessary, either because of significant objections received or through the direction of the Secretary of State.

Requirements to produce an Article 4 direction

- 3.17 In order to make an Article 4 in accordance with Regulation (10) of the Town and Country Planning (General Permitted Development) (England) Order 2015 direction the following tasks must be completed:
- The change of use to be addressed by the Article 4 direction (in this case B1(a) to C3) to be clearly set out
 - Identification of the geographical boundaries to which the Article 4 will apply, and for that information to be mapped and recorded and made available on the Council's website
 - Compilation of robust and up-to-date evidence to support the Article 4 direction and the boundaries/properties to which it would apply, and for that information to inform a clear justification to be included with decision-making reports and be published alongside the Article 4 direction.
 - Consideration of whether an immediate Article 4 direction is required, and if so for an assessment to be completed to identify the likely financial liability and risks to the Council from doing so (as noted in paragraph 3.12 in this case an immediate Article 4 direction is not required)
 - Undertaking public consultation for a period of at least three weeks, including publishing a Public Notice on the Council's website and in local press, displaying site notices at locations to be covered by the Article 4 direction, and for the Secretary of State to be informed in writing
 - Confirmation of the Article 4 by the Mayor in Cabinet
 - Publication of a notice of the confirmed Article 4 direction including maps and supporting information on the Council's website at least one year before the Article 4 direction takes effect
 - Publication of a notice on the Council's website when the Article 4 direction takes effect on 1st June 2019.

Public consultation

- 3.18 Public consultation on Article 4 directions is guided by Schedule 3 of the Town and Country Planning (General Permitted Development) (England) Order 2015. This requires that consultation must take place for a period of at least 21 days (three weeks).
- 3.19 Upon commencement of the consultation, a notice of the making of an Article 4 direction will be published. This is a statutory requirement and summarises the locations to which the Article 4 direction will apply, what type of development the Article 4 direction covers, where and how documents can be viewed and how representations can be made. The notice is attached as Appendix 4.
- 3.20 A copy of the Article 4 direction will also be published as part of the consultation, with a statement included making clear that it will only come into force if confirmed. The Article 4 direction is attached as Appendix 5.

- 3.21 Due to the nature of Article 4 directions, it is not considered that there is a need for any public events or 'drop-ins' as part of the consultation.
- 3.22 Consultation on the Council's planning documents and planning applications within the borough are guided by the Council's Statement of Community Involvement (SCI) (2012). Although Article 4 directions are not referenced in the SCI, for consistency with other planning policy documents it is proposed that the period of consultation for this Article 4 direction will be six weeks.
- 3.23 Documents will be made available to view on the Council's website and at Idea Stores and libraries, and notices will be displayed in affected locations. Additionally, a public notice will be published in local press and persons registered to the Council's planning policy database will be notified.

Resource implications

- 3.24 Where an Article 4 direction is in place, planning applications for developments that would otherwise have benefited from permitted development (or Prior Approval) are free of charge. There are clear benefits from introducing this Article 4 direction in terms of protecting office floorspace, jobs and the viability of strategic employment areas and also ensuring the quality of any residential development that may come forward. It should also be recognised though that some applications that do come forward may be of considerable scale, therefore requiring significant officer resource but without the significant fee income associated with such proposals.

Conclusions

- 3.25 There is justification and evidence for maintaining the existing exemption areas in the borough from office to residential permitted development by making an Article 4 direction to be confirmed by 1st June 2018 and take effect from 1st June 2019.
- 3.26 In order to accord with the tight timescales to progress this Article 4 direction as set out in Appendix 1, it is essential that the Mayor in Cabinet supports the making of the Article 4 and the statutory public consultation which will commence on 2nd October 2017.
- 3.27 While it is anticipated that the Article 4 direction is robust enough to be confirmed after the period of statutory consultation, there remains a possibility that a re-consultation will be necessary. Due to the Council's reporting requirements and the need for the Article 4 direction to be confirmed by the Mayor in Cabinet, the 1st June 2018 deadline could be missed if Cabinet permission is required to re-consult. Therefore the Mayor in Cabinet is asked to agree that any changes to the proposed Article 4 and permission to re-consult is agreed through the delegated authority of the Corporate Director for Place.

4. COMMENTS OF THE CHIEF FINANCE OFFICER

- 4.1 This report seeks the approval of the Mayor in Cabinet to approve the undertaking of statutory public consultation on the proposed Article 4 direction which will remove permitted development rights from certain areas of the borough. This will affect the landowners' rights to change the use of premises from offices to residential within these areas.
- 4.2 When the current regulations granting permitted change of use rights were introduced in May 2013, two areas within the borough were exempt - the 'Central Activities Zone' and 'Tech City'. The existing exemptions expire on 31st May 2019, and it is proposed to extend the exemption period within these areas and also to add the Mile End neighbourhood town centre area. In order to avoid the risk of any compensation payments to disadvantaged landowners (paragraph 1.7) the Notice of Article 4 direction must be published by 1st June 2018. Paragraphs 3.15 and 3.16 set out the key deadline dates that must be met.
- 4.3 The main costs associated with the process to extend the direction are staffing related and are financed from within existing resources. The proposed consultation (paragraphs 3.18 to 3.23) will lead to expenditure on items such as advertising and printing for which there is existing budgetary provision. It is not considered that the consultation process will require the need to hire venues or facilitate public meetings.
- 4.4 As set out in paragraph 3.24, any planning applications that are submitted for change of use within these areas and that would otherwise have benefitted from permitted development rights will continue to be free of charge. Although the potential value of the loss of these fees is not quantifiable, the policy has to be weighed up against the benefits to the local economy and the employment opportunities that retaining the office space offer.

5. LEGAL COMMENTS

- 5.1 This report asks the Mayor in Cabinet to authorise the making of an Article 4 Direction and to approve the required statutory consultation. Article 4 Directions are made under the Town and Country Planning (General Permitted Development) (England) Order 2015 ("the GDPO") and remove the right to carry out the specified development without the need for planning permission. In this case the direction will prevent a change of use from an office use (use class B1(a) to a residential use (class C3) without planning permission, in the areas covered by the order.
- 5.2 The procedure for making an Article 4 direction that will not have immediate effect is set out in Schedule 3 of the GPDO. This provides that as soon as practicable after the direction is made, the LPA are required to give notice by local advertisement. Site notices must also be erected within the areas to which the direction relates and notice must be served on relevant owners and occupiers (unless an exception applies). A minimum period of 21 days must

be given for any representations to be made. Subject to confirmation, the direction can come into force any time after 28 days have elapsed from the date of notice being given, but the direction must come into force within 2 years.

- 5.3 The Council must also send a copy of the direction and the notice to the Secretary of State on the same day as the notice of the direction is first published by local advertisement. It should be noted that the Secretary of State has power to make a direction cancelling or modifying such a direction made under article 4 by a local planning authority at any time before or after its confirmation.
- 5.4 In deciding whether to confirm a direction, the local planning authority must take into account any representations received during the consultation period.
- 5.5 Section 108 of the Town and Country Planning Act makes provision for compensation to be payable where an application for planning permission (that would formally have been permitted development) is refused or is granted subject to conditions different from those in the GDPO. However, as the change from office to residential is 'prescribed development' within regulations, so long as 12 months' notice is given before the Article 4 direction takes effect, no compensation will be payable.
- 5.6 Pursuant to section 9D of the Local Government Act 2000 all functions of an authority are executive functions unless they are specified as not in either the 2000 Act or the Local Authorities (Functions and Responsibilities) (England) Regulations 2000 (as amended). Whilst some planning functions cannot be the responsibility of the Executive, the making of an Article 4 direction is not a specified function and it is therefore an Executive decision.
- 5.7 When considering the recommendations in this report, regard must be given to the public sector equalities duty to eliminate unlawful conduct under the Equality Act 2010. The duty is set out at Section 149 of the 2010 Act. It requires the Council, when exercising its functions, to have 'due regard' to the need to eliminate discrimination (both direct and indirect discrimination), harassment and victimization and other conduct prohibited under the Act, and to advance equality of opportunity and foster good relations between those who share a 'protected characteristic' and those who do not share that protected characteristic. As noted in the One Tower Hamlets section below, an equalities analysis has been carried out and concludes that the project does not appear to have any adverse effects on people who share protected characteristics and that no further actions are recommended at this stage. The equalities analysis should be updated after the consultation period and before a decision is taken whether or not to confirm the direction.

6. ONE TOWER HAMLETS CONSIDERATIONS

- 6.1 An Equalities Assessment has been prepared and is included as Appendix 3. Officers will continue to work with the Council's Equalities team to ensure actions are undertaken to mitigate the likely impacts on the equality profile of those affected by the Article 4.

7. BEST VALUE (BV) IMPLICATIONS

- 7.1 The Article 4 direction will enable the Council to continue to ensure that employment land and jobs are protected where they are viable and meet a need, to the benefit of the wider community. The development of sites following the policies and guidance contained within the new Local Plan will generate Section 106 and Community Infrastructure Levy (CIL) contributions where relevant. This may include the delivery of new affordable housing, local enterprise and employment opportunities, public realm enhancements and infrastructure. This is not necessarily the case for homes delivered through Prior Approval from offices.

8. SUSTAINABLE ACTION FOR A GREENER ENVIRONMENT

- 8.1 The Article 4 direction would not directly have any environmental implications as it simply removes permitted development rights from buildings that are already in place. However, a result of the permitted development right is that conversion to residential use can take place without addressing policy requirements ordinarily required of new development which include promoting greater energy efficiency. As such, the removal of permitted development which will result in full planning applications having to be submitted rather than Prior Approvals which should lead to higher quality residential developments where change of use is determined to be appropriate.
- 8.2 Fundamentally, the Article 4 direction would also result in more sustainable development as the permitted development right is considered detrimental to the balance of land uses in areas that are suitable for employment use and provide significant numbers of jobs.

9. RISK MANAGEMENT IMPLICATIONS

- 9.1 A Project Initiation Document (PID) was drafted in 2016 which considered and addressed the risks associated with the Article 4 direction. The primary risk associated with the Article 4 direction is that it is not confirmed by 1st June 2018 in order to take effect from 1st June 2019.
- 9.2 If the deadline is missed, the Council then has a further decision to make. Either the Article 4 direction is to take effect with less than one year's notice in which case the Council would be liable to compensate any affected landowners should they submit an application for change of use in the period until the one year's notice is achieved. The financial liability to the Council could be considerable. Alternatively, the Council could allow the full one year notice period which risks opportunistic landowners bringing forward sites for conversion under Prior Approval before the Article 4 takes effect thus undermining the supply of employment land and the viability of key employment areas.

9.3 These risks can be mitigated by the proposed timetable being met and the recommendation to re-consult if necessary without obtaining the permission of the Mayor in Cabinet being agreed.

10. CRIME AND DISORDER REDUCTION IMPLICATIONS

10.1 The Article 4 direction would not directly have any implications on crime and disorder reduction, but the removal of permitted development rights would result in the need to submit full planning applications which should accord with the Council's Local Plan. This means that policies which seek to ensure the design of developments minimises opportunities for crime and creates a safer and more secure environment are addressed.

11. SAFEGUARDING IMPLICATIONS

11.1 The Article 4 direction is not considered to give rise to any safeguarding implications.

Linked Reports, Appendices and Background Documents

Linked Report

- NONE

Appendices

- Appendix 1 – Map of Article 4 boundaries
- Appendix 2 – Justification for Article 4 Direction
- Appendix 3 – Equality Analysis Quality Assurance Checklist
- Appendix 4 – Notice of the making of the Article 4 direction
- Appendix 5 – Article 4 Direction

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

- NONE.

Officer contact details for documents:

N/A

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<p>Cabinet</p> <p>19 September 2017</p>	
<p>Report of: Ann Sutcliffe, Acting Corporate Director, Place</p>	<p>Classification: Unrestricted</p>
<p>Food Law Enforcement Service Plan 2017/2018</p>	

Lead Member	Councillor Amina Ali, Cabinet Member for Environment
Originating Officer(s)	David Tolley – Head of Environmental Health and Trading Standards
Wards affected	All wards
Key Decision?	Yes
Community Plan Theme	A Healthy and Supportive Community

Executive Summary

This report sets out the Council's annual plan for effective enforcement of food safety legislation. The objective of the plan is to ensure that food is produced and sold under hygienic conditions, is without risk to health and is of the quality expected by consumers.

The Food Standards Agency requires Local Authorities to have in place a Food Law Enforcement Service Plan. The plan will form a significant part of the criteria against which Local Authorities will be audited by the Agency to assess their effectiveness in ensuring food safety.

Recommendations:

The Mayor in Cabinet is recommended to:

1. Approve the Tower Hamlets Food Law Enforcement Service Plan 2017/2018 and Food Sampling Policy attached at Appendix One of the report.

1. REASONS FOR THE DECISIONS

- 1.1 Under the powers given to it by the Food Standards Act 1999 The Food Standards Agency (FSA) oversees and monitors how Local Authorities enforce food safety legislation. The FSA require all Local Authorities to produce and approve an annual plan that sets out how they are going to discharge their responsibilities. The annual plan is at Appendix One.

2. ALTERNATIVE OPTIONS

- 2.1 If the Council takes no action the FSA has the power to remove food safety responsibilities and engage another authority to deliver the service. The likely scenario would be for a neighbouring local authority to be seconded to provide this service. If this did happen the Council would still have to fund the service but would lose Member and management control of it.

3. DETAILS OF REPORT

- 3.1 The Plan incorporates the Council's objectives as set out in the Community Plan and the Environmental Health and Trading Standards Service Plan. It is particularly relevant to the quality of life and health and wellbeing of residents and visitors to the Borough. The Plan is there to encourage businesses to maintain high standards and help protect customers. It is particularly important in maintaining the reputation of the Borough as a safe place to eat and buy food products. The standard format of the plan will allow easier comparisons with other authorities.
- 3.2 The plan is divided between reactive and proactive work. Reactive work includes consumer complaints and requests for advice or information from the business community, residents, employees in the Borough and tourists. Proactive work comprises mainly the achievement of routine inspection targets. Tower Hamlets at the time of writing has 2,991 food premises which require inspection. The frequency of such inspections is determined by a nationally agreed risk based inspection rating scheme.
- 3.3 The national "Food Hygiene Rating Scheme" sponsored by the Food Standards Agency allows Local Authorities to publish, using rating criteria, an assessment of the hygiene standards of food premises. The Food Hygiene Rating Scheme has a direct link to the Broadly Compliant indicator. A rating of three or above indicates that the food premises are broadly compliant.
- 3.4 The main indicator used to assess the Council's performance is the proportion of food establishments in the Borough which are broadly compliant with food hygiene law. The performance of the Team has been benchmarked with neighbouring authorities and other sources as detailed in Appendix Two.
- 3.5 Last year the Food Safety Team achieved 81% of all food premises being broadly compliant with food safety legislation. This is the same rate compared to last year.

- 3.6 A range of interventions has been developed aimed at increasing and sustaining this compliance rate. The broadly compliant rate should also be seen within the context of the high turnover rate of food businesses in the Borough and the advanced age of much of the commercial premises. As the rates of compliance become higher the rate of year on year improvement has tapered off as the residual businesses present the biggest challenges either from a premises age /condition perspective, or from a business engagement and proficiency perspective.
- 3.7 The plan also covers the wider remit of food safety work including complaints and enquiries, sampling, food hazard warnings, outbreak control, health promotion, training and publicity. These tasks remain relatively constant year on year.
- 3.8 The plan also highlights some of the major successes during 2016/17. Some notable examples are:-
- 100% of all A rated high risk premises inspected for food hygiene/standards
 - 100% of all B rated food hygiene premises were inspected
 - 97% of all A-C rated Food Hygiene premises inspected
 - 162 food samples were taken as part of the surveillance programme
 - 16 new and 41 renewed Food For Health Awards were issued
- 3.9 The Food Standards Agency requires details of the assessment of resources for all functions within the plan. The resource analysis estimates the gap to be 3.59 full time equivalents for 2017/18. This is the identified resource gap when providing a full inspection and sampling programme. The main reason for the resource gap is due to an increase in demand on the services provided by the Team as outlined below.

Year	Premises	Service Requests	Allergy Alerts	Food Alerts	Food Poisoning
2013/14	2636	1036	47	36	113
2014/15	2797	1171	65	35	123
2015/16	2964	1328	94	53	124
2016/17	2977	1532	123	53	222

During 16/17 the Team achieved:

- £93,000 in fines and costs
- 81% of premises broadly compliant with food law
- 32% of samples found to be unsatisfactory and required follow up
- Service Requests increased by 14%
- Increase in number of food premises

- 3.10 The estimated resource gap calculated is based on the activity carried out in the previous year. With the increase in food premises the Food Team will therefore have to reduce inspection activity in the lower risk food premises and carry out a lower level response into the service requests received.
- 3.11 From 2009-17 funding was received from the Healthy Cities initiative and Public Health budgets to develop a Food for Health Award, which aims to create a culture of healthy food choices for residents/workers in the Borough. The scheme resulted in a further 16 new awards being achieved and 41 renewals last year.
- 3.12 An Equalities Impact Assessment checklist has been carried out at Appendix Three

4. COMMENTS OF THE CHIEF FINANCE OFFICE

- 4.1 The report sets out the annual Food Law Enforcement Service Plan for 2017/18 which the Council is required to have in place.
- 4.2. The assessment carried out of the resources required to support the service highlights a funding gap of 3.59 full time equivalent posts. This is based on an estimate of resources requirements. The budget for Food Safety is £623k with additional funding for one post to support food initiatives. The available budget envelope will be used to manage service delivery through focusing less on the lower risk food premises and carrying out less of lower level responses in the area of service request received. The service will need to continue to ensure that all performance levels are maintained at a level prescribed by the Food Standards Agency.

5. LEGAL COMMENTS

- 5.1 The Food Safety Act 1990 ('the 1990 Act') designates the Borough as a food law enforcing authority and creates an obligation to enforce the Act, as such the London Borough of Tower Hamlets has statutory functions in respect of food safety.
- 5.2 The Food Standards Act 1999 gives powers to the Food Standards Agency (FSA) to oversee and monitor how Local Authorities enforce food safety legislation. The FSA acts as regulator for local authorities on Food Safety matters.
- 5.3 The Food Law Code of Practice, produced by the FSA, gives statutory guidance to which local authorities must have regard when engaged in the enforcement of food law. Local authorities must follow and implement the relevant provisions of the Code. The FSA published a revised Food Law Code of Practice (England) on 30 March 2017.

- 5.4 It is a requirement of the FSA under the 'Framework Agreement on Local Authority Food Law Enforcement' for Local Authorities to have Food Law Enforcement Service Plan. Chapter 5.1 of the Food Law Code of Practice sets out the requirements for Food Service Plans. The Plan must be subject to regular review and clearly state the period of time during which the Plan has effect.
- 5.5 The Council must have an up-to-date, documented Food Service Plan which is readily available to food business operators and consumers. The Plan should reflect the requirements detailed in paragraph six of the Regulators' Code (produced by the Department for Business Innovations and Skills, April 2014), which provides as follows:
"Regulators should ensure that their approach to their regulatory activities is transparent
6.1 Regulators should publish a set of clear service standards, setting out what those they regulate should expect from them.
6.2 Regulators' published service standards should include clear information on:
a) how they communicate with those they regulate and how they can be contacted;
b) their approach to providing information, guidance and advice;
c) their approach to checks on compliance, including details of the risk assessment framework used to target those checks as well as protocols for their conduct, clearly setting out what those they regulate should expect;
d) their enforcement policy, explaining how they respond to non-compliance;
e) their fees and charges, if any. This information should clearly explain the basis on which these are calculated, and should include an explanation of whether compliance will affect fees and charges; and
f) how to comment or complain about the service provided and routes to appeal.
6.3 Information published to meet the provisions of this Code should be easily accessible, including being available at a single point⁷ on the regulator's website that is clearly signposted, and it should be kept up to date.
6.4 Regulators should have mechanisms in place to ensure that their officers act in accordance with their published service standards, including their enforcement policy.
6.5 Regulators should publish, on a regular basis, details of their performance against their service standards, including feedback received from those they regulate, such as customer satisfaction surveys, and data relating to complaints about them and appeals against their decisions".
- 5.6 This report sets out the Council's annual Food Law Enforcement Service Plan for 2017/2018 and includes benchmark data.
- 5.7 The proposed Plan is aligned with the Food Law Code of Practice, the Regulator's Code and the Council's enforcement policy. It covers all areas of food law that the Council has a duty to enforce and sets out how the Council intends to deliver Official Controls within its area as is also required.

- 5.8 Before adopting the Plan, the Council must have due regard to 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). An Equalities Impact Assessment has been done and a Checklist is at Appendix 3.

6. ONE TOWER HAMLETS CONSIDERATIONS

- 6.1 The equality analysis checklist has been reviewed in respect of this plan and no adverse issues have been identified.

7. BEST VALUE (BV) IMPLICATIONS

- 7.1 The Council is fulfilling its best value duty by ensuring that staff resources are targeting the higher risk food premises as determined by the national rating scheme. The report details how this targeting is maintaining the current broadly compliant rate across the food premises in the Borough. Officers are using a range of interventions to seek compliance, as detailed in the plan.

8. SUSTAINABLE ACTION FOR A GREENER ENVIRONMENT

- 8.1 There are no environmental impacts with regards to this plan

9. RISK MANAGEMENT IMPLICATIONS

- 9.1 The Council as a Food Authority is required to carry out statutory functions in relation to food safety. The annual plan sets out how the Council will fulfil its obligations under this legislation.
- 9.2 Failure to ensure that the council discharges its responsibilities can have serious consequences for the Council and these are set out below.
- 9.3 Should the Council not exercise its duties and provide a food safety service there is the potential that both unsafe and unscrupulous activities would go unchecked and un-enforced, which may lead to serious food borne illness or disadvantage to the residents, consumers and businesses within the borough.
- 9.4 The Food Standards Agency are charged with overseeing the activities of Food Authorities and may carry out audits of the authority to ensure it is meeting the requirements of The Standard for Food Services set out in the Framework Agreement and its statutory functions.
- 9.5 Should the Council not fulfil its obligations as specified above, the Food Standards Agency may use its powers to take away the functions of the authority and place them with another authority to exercise them on its behalf.
- 9.6 In delivering the Plan, the Food Safety Team is reliant on the Services of other key Teams such as Legal Services, Communications and Public Health to provide support to meet the objectives of the Plan.

10. CRIME AND DISORDER REDUCTION IMPLICATIONS

10.1 There are no crime and disorder reduction implications with this report.

11. SAFEGUARDING IMPLICATIONS

11.1 There are no safeguarding implications with this report.

Linked Reports, Appendices and Background Documents

Linked Report

None

Appendices

Appendix 1 – LBTH Food Law Enforcement Plan – 2017/18

Appendix 2 – Benchmark data

Appendix 3 - Equalities Impact Assessment - Checklist

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

None

Officer contact details for documents:

David Tolley, Head of Environmental Health and Trading Standards, 0207 364 6724

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Cabinet 19 th September 2017	 TOWER HAMLETS
Report of: Asmat Hussain Corporate Director Governance and Monitoring Officer, Director of Place	Classification: Unrestricted
Under Occupation Review – Action Plan	

Lead Member	Councillor Sirajul Islam, Statutory Deputy Mayor and Cabinet Member for Housing
Originating Officer(s)	Ahmed Choudhury, Senior Strategy, Policy and Performance Officer
Wards affected	All
Key Decision?	Yes
Community Plan Theme	A Great Place to Live

Executive Summary

This report submits the report and recommendations of the scrutiny review of Under Occupation of social housing in Tower Hamlets, by the Housing Scrutiny Sub-Committee, and the action plan for implementation.

Recommendations:

The Mayor in Cabinet is recommended to:

1. Consider this report of the scrutiny working group and agree the action plan in response to the review recommendations.

1. REASONS FOR THE DECISIONS

- 1.1 The Council's constitution requires the Executive to respond to recommendations from the Overview and Scrutiny Committee. The action plan within this report outlines the Executive response to the seven recommendations arising from the review.

2. ALTERNATIVE OPTIONS

- 2.1 To take no action. This is not recommended as the proposed recommendations are strategic, measurable and attainable. The action plan is outlined in Appendix B.

3. DETAILS OF REPORT

- 3.1 This report submits the report and recommendations of the scrutiny review of Under Occupation of social housing by the Housing Scrutiny Sub-Committee, and the action plan responding to the recommendations.
- 3.2 Approximately 37% of those families on the Common Housing Register (CHR) are living in overcrowded accommodation, which represents approximately 70% of those applicants in housing need. The council's former housing Allocations policy prioritised families living in overcrowded accommodation based on the number of bedrooms lacking.
- 3.3 Tower Hamlets Homes (THH) and all the major RPs in the borough manage a Common Housing Register and Allocations scheme, which is a unique agreement within London. A single housing register and allocations scheme means there is a single housing waiting list for all prospective tenants and existing tenants can, if they want to move home, have potentially a far larger choice of alternative accommodation than would otherwise be available.
- 3.4 In 2010 the council changed its housing Allocations policy and placed families living in overcrowded accommodation on the same band 2 category as homeless families. This change proved effective in reducing both homelessness and increasing the number of families living in overcrowded conditions, who were rehoused through the waiting list rather than the homelessness route.
- 3.5 The council has traditionally had a generous policy, compared to many other London Boroughs, towards assessing space needs for housing. Unlike many councils - a family with two children, one of each sex under the age of 10, have been eligible for a three-bedroomed home, with a separate bedroom for each child. The council's policy is not aligned with the bedroom standard (for example, eligibility for a child having their own room, or not being eligible if they are under ten years old). In addition, it is not in line with recent welfare reform changes which introduced the 'bedroom tax' which means housing benefit will only cover bedrooms required and therefore some under occupiers will have a shortfall in their rent through housing benefit.

- 3.6 The council also gives priority, to sons and daughters over 18 in their own right living in an overcrowded home. Under the Council's Allocations Scheme 'sons and daughters' of under-occupying tenants, and those tenants that are severely overcrowded could be given enhanced housing priority under the Priority Target Group scheme. This is to ensure larger size homes are released for allocation to overcrowded applicants and to relieve overcrowding in existing tenanted accommodation. In order to qualify, the son or daughter must be over 18 years of age and lived at the address as their only or principal home for more than 5 years. The enhanced priority will only apply if by rehousing the under occupying tenant and the son or daughter there is still a net bedroom gain e.g. a tenant and her daughter occupy a 3 bedroom property and by offering them 2x1 bedroom accommodation the council releases a 3 bedroom property which results in a net gain of 1 bedroom. For tenancies that are severely overcrowded the transferring tenant must still lack 2 or more bedrooms even though the son or daughter will be rehoused separately e.g. tenant occupies a 2 bedroom property and is assessed as needing at least 4 -bedroom or larger home.
- 3.7 The Under-occupation and overcrowding of social housing of both the council owned and Registered Provider (RPs) housing has always been a high-profile issue within the borough. Consequently, the council and registered provider partners have developed policies and identified resources to addressing the problem of under-occupation.
- 3.8 Scale of the under-occupation (beds more than need), according to the 2016 Common Housing Register (CHR) figures:
- There are 1,333 (as at 1st April 2016) known socially rented under-occupied properties in LBTH of which:
 - 78% have one bedroom in excess of need;
 - 18% have two bedrooms in excess of need; and
 - 3% have three bedrooms in excess of need
 - The council owns 45% of these under-occupied properties.
 - For RPs, Poplar HARCA has the highest with 16% of the total.
 - Tower Hamlets Community Housing, Eastend Homes and Old Circle Ford, all have around 6% of the total.
 - The remaining properties are dispersed across the other RPs in the borough
- 3.9 The review was Chaired by Cllr Amina Ali and specifically considered:
- LBTH's under occupation policy and reviewed its action plan;
 - Other local authorities with similar demographics and considered their approach, to encouraging tenants to downsize;
 - lessons learnt elsewhere and whether these are applicable to the circumstances of Tower Hamlets;
 - whether some incentives available have been more successful than others and establish the reasons for this; and

- if some Registered Providers (RPs), operating inside or outside the borough - whether have been more successful than others in reducing under occupancy and the reasons why this has happened.

3.10 The report with recommendations is attached as Appendix A. There were seven recommendations arising from the review which is outlined below:

Recommendation 1:

Deliver targeted communication and events: Housing and Regeneration Division should further develop information and engagement with local people looking to downsize by:

- delivering targeted communication;
- develop clear and concise information;
- delivering events aimed at both registered and unregistered under occupiers.

The council's traditional media channels along with electronic and social media should be utilised

Recommendation 2:

That the Housing and Regeneration Division proactively identify under occupiers and staff working across frontline service. And develop an information toolkit for frontline staff which will enable them to encourage and support tenants, wishing to downsize.

Recommendation 3:

That the Housing Regeneration Division should consider creating a single integrated Housing Mobility Team.

Recommendation 4:

That the Place Directorate consider the possibility of building bespoke downsizer homes, on council owned land or estates which are specifically aimed at under occupiers.

Recommendation 5:

That the Housing and Regeneration Division should review the current Tenancy Strategy to agree under what circumstances fixed term tenancies would not be renewed.

Recommendation 6:

That the Housing and Regeneration Division further enhance 'post move' service - to ensure tenants who are downsizing are supported through any difficulties e.g. settling in, providing information on local area and sign posting to local services etc.

Recommendation 7:

That the Housing and Regeneration Division builds on the existing strategic partnership with its key partners and stakeholders. And, continue to develop the role of Tower Hamlets Housing Forum – especially the Common Housing Register Group as the main area for innovation and delivery of under occupation initiatives.

- 3.11 The subsequent Under Occupation Action Plan (which, The Mayor and Cabinet is asked to agree) produced by the Housing & Regeneration Division is in Appendix B.

4. COMMENTS OF THE CHIEF FINANCE OFFICER

- 4.1 This report asks the Mayor in Cabinet to consider the Under Occupation Review that was undertaken by the Housing Scrutiny Sub-Committee in April 2017 and seeks approval for the adoption of the action plan that is proposed to address the review's recommendations.
- 4.2 The recommendations set out a range of activities and priorities for the Council and key partners that will provide a focus for the promotion of housing moves to release currently under occupied properties for re-letting. This will require a co-ordinated approach and possible aligning of funding from all major partners, and will require that best value for money is obtained from limited sources of funding, given that the Council's mainstream resources to support the proposals are extremely limited.
- 4.3 Although the costs of implementing several of the recommendations can be met from within existing revenue resources, the financial consequences of certain initiatives will be subject to the availability of funding, and further reports will assess the financial impact of these proposals as appropriate. In particular this will relate to Recommendation 3 - the creation of a single integrated Housing Mobility Team; Recommendation 4 – the construction of bespoke downsizer homes on Council owned land; and Recommendation 6 – that an enhanced 'post move' service be offered to tenants.

5. LEGAL COMMENTS

- 5.1 The recommendations arising from the review and set out in the action plan must be in line with statutory obligations placed on the Council in respect of housing provision.
- 5.2 Section 8 of the Housing Act 1985 imposes a duty on every local housing authority to carry out a periodical review of housing needs in their area and consider the provision of further housing. The under occupation review has assisted the Council to fulfil its duty in this regard.
- 5.3 In relation to recommendation 4 of the review, the Council has the power under section 9 of the Housing Act 1985 to provide housing accommodation by building houses on land acquired by it.
- 5.4 With regard to recommendation 5, the Housing and Planning Act 2016 requires that most new local authority tenancies are granted on a fixed term (two to ten years). It also prescribes that any succession (transfer of tenancy after death) to a family member other than a spouse or civil partner must be a fixed term tenancy. Chapter 6 of the Act which provides for the phasing out of secure 'lifetime' tenancies, will be brought into force in Autumn 2017 and implemented by way of Regulations which will prescribe the circumstances in

which councils are entitled to offer further 'lifetime' tenancies to existing tenants who agree to move home.

- 5.5 Section 118 of the HPA 2016 will impose mandatory use of fixed term tenancies of between two and five years, on the expiry of which a further tenancy may be granted following a review of the conduct of the tenancy (and the tenants) by the landlord. Once the provisions are in force, local authorities in England will be prevented from offering lifetime tenancies in most circumstances.
- 5.6 Other changes to be brought in by the HPA 2016 in relation to secure tenancies will be in relation to succession rights and mutual exchanges. Succession rights will be restricted to spouses and civil partners or a person living with the tenant as a partner unless the council elects to include an express term in the tenancy agreement allowing for succession to anyone other than a spouse or civil partner. The length of the tenancy on succession will be limited to a fixed term of five years. In relation to transfers or mutual exchange, the Localism Act 2011 has been amended to remove the right of existing lifetime tenants to be granted a new lifetime tenancy when they agree to a mutual exchange. Social landlords will have discretion over whether to offer a new lifetime tenancy. Amendment 81ZA is to ensure that the introduction of flexible tenancies does not act as a barrier to mobility.
- 5.7 In relation to offering financial incentives to tenants downsizing, these are covered by paragraph 2 of schedule 18 of the Housing Act 1996. Such payments can cover not only the provision of goods or services, such as carpets or redecoration but also cash incentives. Further the discretionary housing payment (DHP) fund remains available to provide temporary financial assistance to tenants affected by the provisions of the Welfare Reform Act 2012. Working age social housing tenants in receipt of housing benefit who experience a reduction in their benefit entitlement if they live in housing which is deemed to be too large for their needs, can claim DHP. This acts as an incentive for tenants to downsize to smaller properties.
- 5.8 The Council's allocations scheme, tenancy agreement, succession policy and tenancy strategy will need to be reviewed and updated to ensure they comply with the provisions of the HPA 2016 when in force.
- 5.9 The allocations scheme currently allows direct offers of accommodation to be made, if the circumstances justify it. This includes facilitating a move due to under occupation. This would allow allocation of the downsizer homes referred to in recommendation 4.
- 5.10 The tenancy strategy which the council must prepare under section 150 of the Localism Act 2011, sets out the matters which registered providers of social housing in its area are to have regard to in formulating policies, this includes:
- the kinds of tenancies granted;
 - the circumstances in which particular tenancies will be granted;
 - where tenancies are granted for a certain term, the lengths of the term and

- the circumstances when a further tenancy will be granted when the existing tenancy comes to an end.

- 5.11 The tenancy strategy must summarise those policies or indicate where they can be found. The council must have regard to the strategy when exercising its housing management functions, publish its strategy and keep it under review and may modify or replace it. Any modifications must be published.
- 5.12 When deciding whether or not to proceed with the action plan, 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 duty).

6. ONE TOWER HAMLETS CONSIDERATIONS

- 6.1 The key objectives of this review was: to carry out an assessment of how the council's under occupation plan is assisting to reduce overcrowding; learn from good practices; and makes a series of recommendation on way the council could help release under occupied properties to alleviate overcrowding pressures. The recommendations seek collaborative working across the organisations as well as building on the existing strategic partnership with local partners and stakeholders.

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 greener environment arising from this report.

9. RISK MANAGEMENT IMPLICATIONS

- 9.1 There are no direct risk management implications arising from the report or recommendations. Any risks arising as a direct result of implementing the Under Occupation Action Plan will be managed through appropriate mitigating action(s).

10. CRIME AND DISORDER REDUCTION IMPLICATIONS

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

11. SAFEGUARDING IMPLICATIONS

There are no direct safeguarding implications arising from this report.

Linked Reports, Appendices and Background Documents

Linked Report

- NONE

Appendices

- Appendix A: Under Occupation – Promoting Housing Moves
- Appendix B: Under Occupation – Action Plan

Local Government Act, 1972 Section 100D (As amended)

List of “Background Papers” used in the preparation of this report

- Under Occupation Review – Housing Scrutiny Sub-Committee Report, 24th April 2017

<p>Cabinet</p> <p>19 September 2017</p>	 <p>TOWER HAMLETS</p>
<p>Report of: Debbie Jones, Corporate Director, Children's Services</p>	<p>Classification: Unrestricted</p>
<p>Leisure Services Contract Fee Waiver Negotiations</p>	

Lead Member	Councillor Abdul Mukit, Cabinet Member for Culture and Youth
Originating Officer(s)	Neville Murton Divisional Director Finance, Procurement & Audit Judith St. John Acting Divisional Director for Sports, Leisure and Culture
Wards affected	All wards
Key Decision	Yes
Community Plan Theme	A Great Place to Live, and a Healthy and Supportive Community

Executive Summary

- 1.1. The Medium Term Financial Plan 2016-17 set out the savings proposals approved at the Cabinet and Full Council meetings in February 2016. The current contract with GLL provides for a management fee to be paid of up to £2.3m on the leisure services contract. There is also a profit share arrangement for the allocation of the surplus at the end of the financial year. The value of the surplus share to the Council is currently £1.05m. The fee waiver delivers a total savings over the Medium Term Financial Plan of £3.82m. The arrangement provided for in the proposal was that both the management fee paid and profit share income received would cease for the remainder of the contract period to achieve on-going savings of £1.240m. As a prerequisite to GLL entering into negotiations, confirmation was requested that a capital sum of £2.3m be set aside for investment into the facilities along with a review of fees and charges.

- 1.2. In attempting to reach an 'in principle agreement with GLL in January 2017, it was made clear by officers that any decision made would be subject to approval by the Executive. In lieu of no management fee and a cessation of the surplus share arrangement, it is proposed that a three year contract extension be awarded to GLL, this is based on the period modelled that enables recovery of the GLL base position i.e. the length of time necessary to recover an annual loss of £1.2m. The agreement does not propose any changes to the current fees and charges structure.. Capital funding is to be provided from the shared development pot of £847k, held by GLL, and identified section 106 resources of up to £1.4m for investment into the facilities.

Recommendations:

The Mayor in Cabinet is recommended to:

1. Agree and approve the fee waiver arrangements and three year contract extension to the current contract due to expire on 30th April 2019. This will be on the existing terms for the current Leisure Services Contract for the period up to April 2022.
2. Authorise the appropriate officers to execute the necessary contract extension agreement
3. Approve the use of Section 106 funds for investment in the Leisure facilities.

1. REASONS FOR THE DECISIONS

- 1.1 The decision is required in order to enable the Medium Term Financial Savings of £1.240m to be achieved. This will be achieved through a reduction in fees otherwise payable to GLL under the current leisure services management contract which, subject to Cabinet's agreement, it is proposed to extend for 3 years.

2. ALTERNATIVE OPTIONS

- 2.1 The Mayor in Cabinet could choose not to accept the officers' recommendations in this report. This would result in the Medium Term Financial savings proposal approved by Cabinet not being achieved. Alternative savings options would be required to be found elsewhere in the Council's budget to close the gap.

3. DETAILS OF REPORT

3.1 Background

- 3.2 The contract was let in May 2004 for a period of fifteen years and operates on a full repairing lease, surplus share basis, this included the management of the following six centres:

- John Orwell Leisure Centre
- Langdon Park Leisure Centre (ended in 2011)
- Mile End Park Leisure Centre & Stadium
- St. Georges Leisure Centre (formerly St. George's Pools)
- Tiller Leisure Centre
- Whitechapel Sports Centre
- York Hall Leisure Centre

- 3.3 Although the contract operates on a full repairing lease basis GLL are responsible for maintaining the Council's assets, which includes reactive, planned and preventative maintenance.
- 3.4 The first five years of the contract were projected to be in deficit, which in fact was the case. However, this turned into a more sustainable surplus once the early capital improvements had been completed.
- 3.5 The high levels of contract performance are also evidenced by the number of industry awards and external accreditations achieved by the service. Benchmarking with similar facilities nationally has seen Tower Hamlets facilities placed in the top quartile for access by disadvantaged communities, as well as the money spent on maintaining the Council's assets.
- 3.6 The community has also benefited from capital investments during the contract, which have enhanced the leisure services provided to local residents. Some of these benefits included the development of a new facility, Mile End Park Leisure Centre and the development of York Hall Spa London. In addition, leading up to, and during the Olympic period, in the summer of 2012, both the contractor and the Council worked in partnership to provide sporting opportunities and improve the leisure centre infrastructure. This partnership approach led to the delivery of a number of community engagement events with the United States Olympic Committee (USOC), The American Embassy and The Great Britain Synchronised Swimming Team. Approximately 1,500 residents participated in these events. In addition to the engagement activities, the community also benefited from £1.3 million of improvements to the facilities at Mile End Stadium, York Hall and St Georges Leisure Centre which were all used as Games Time Training Venues by national teams from the United States, Great Britain, Spain and Russia. These activities provided considerable profile for the Council and enhanced the borough's reputation for delivery at the highest level.
- 3.7 The contract has also provided training and employment opportunities for Tower Hamlets residents. Coach Education training courses organised by the Council and those in partnership with organisations such as the Muslim Women's Collective, have provided free and subsidised accredited courses at level 1 and level 2, which have led to employment with the leisure operator, GLL, as well as other local organisations, as lifeguards, football, basketball and badminton coaches.
- 3.8 The borough's Leisure Centre's achieved Quest accreditation, which resulted in Tower Hamlets scoring 87.5% and being placed in the top quartile of local authorities for CPA19. The Quest accreditation is the sport and leisure industry's only recognised Quality Assurance Tool for facility management, sports development and physical activity, it is designed to measure how effective organisations are at providing high quality services. The accreditation has been maintained and the Operator has also achieved a

Service Excellence award demonstrating their commitment to quality management and customer service.

- 3.9 A key area for measuring the success of the contract is the level of customer satisfaction and leisure centre attendances. A range of methodologies have been used to measure customer satisfaction. In the earlier years of the contract these included the Institute for Sports Parks and Leisure (ISPAL) that represents sport, parks and leisure industry professionals and mystery shopping, but more recently, annual user surveys commissioned by GLL but analysed independently have been utilised. These surveys provide feedback not only on satisfaction but also on centre user profiles. They are completed on a site basis but the results are also amalgamated for the borough. National benchmarking surveys have also been commissioned which conduct an independent analysis of feedback from leisure centre users and compares the data against similar facility types nationally.

3.10 Community Benefits

- 3.11 In administering the contract GLL are due an annual management fee of just over £2m including annual indexation uplifts. There is also a profit share arrangement in place for the allocation of the surplus at the end of each financial year the Council's share of which currently stands at £1.050m. The arrangements are such that the Council and GLL receive 25% each of the declared surplus in the GLL accounts and 50% goes towards the Development pot.

- 3.12 Allocation of funds from the Development pot is agreed by both parties to support major works above the planned preventative maintenance schedule (PPM) and agreed Leisure development activities such as 'free swims' and 'Women only activities'. As a result of this investment additional capital improvements and sporting initiatives for the community have been delivered. These include:

- Free Swim Friday Programme
- Free Swim family Saturday
- Investment into St Georges Leisure Centre and redevelopment of disused areas
- Improvements and Extension to Reception area at Mile End Park Leisure Centre

- 3.13 Throughout the contract a significant number of community based initiatives have been developed and delivered. These initiatives involve joint working and delivery by the Contractor and a few have been included below:

Sport4Women Programme: An initiative developed for the most deprived areas/wards to engage with women and provide opportunities for activity in partnership with, and involving, local community organisations. This activity is currently funded by a Sport England grant secured by the Council with the aim of embedding the programme into leisure centre service delivery.

Young@Heart (50+): A health, fitness & social scheme funded initially by a Sport England Grant secured by the Council's Sports Team and subsequently embedded in core delivery as part of the leisure centre programme

Get Active - An initiative developed for the most deprived areas/wards to engage with inactive people to increase participation levels in sport and physical activity

Free Swimming Programmes: Free Swim Friday, Free Swim Family Saturday, Under 16 free swimming, and Women and Girls Programmes.

- 3.14 The options open to the Council that would enable the current contract to be varied during the remaining 3 years and secure a cashable contribution to the Medium Term Financial Strategy are limited other than the current contract being renegotiated by both parties, with the Council seeking the waiver of fees and GLL requiring an extension to the contract in order to compensate for the fee forgone.
- 3.15 Based on clear legal advice to the effect that GLL should be left in a position which is no better no worse than under the unaltered contract the approach taken by the parties was to determine an appropriate length of extension during which GLL would be able to recover their losses resulting from the withholding by the Council of the management fee. This meant that a reasonable determination of population growth was agreed between the parties in order to estimate the level of income receivable by GLL throughout the period of the extension. Other factors were also taken into account such as the maintenance of current ticket prices, special sessions and other local benefits previously agreed as well as issues such as the anticipated capacities of the centres beyond which growth without further significant investment by the Council could not be obtained.
- 3.16 The modelling undertaken looked at the level of population growth and was used to determine the point at which the contract should expire in order that GLL would be left in a position no better off, nor no worse off than under the original contract.
- 3.17 As part of the negotiated agreement GLL will look to introduce the London Living Wage to all GLL staff excluding Apprentices operating the Council contract in line with the Living Wage Foundation criteria from 1st April 2017. This forms part of continual review of the service and the wider corporate objective of GLL to move towards all staff being paid the LLW it should be noted that some job roles are already paid in line with the LLW. The estimated cost of moving qualifying staff across to the LLW is £250k per annum, the cost of this has been included in the modelling assumptions undertaken to determine at what point recovery is reached by GLL.
- 3.18 The agreement reached with GLL is an 'in principle one', subject to a formal decision being made at Cabinet as part of any procurement approval process.

- 3.19 The basis of the agreement with GLL is as follows::
1. The £1.240m saving is backdated to the 1st April 2016
 2. Recovery position for GLL is for the overall position to remain neutral. The modelling undertaken shows recovery of income loss as a result of the waiver is achievable within 3 years.
 3. No increases to fee charges other than the annual inflation increases.
 4. Commitment to pay the London Living Wage from April 2017
 5. An open book accounting will take place regularly to identify the point when recovery is actually achieved. Once that point is reached, the following arrangement will then take effect:
 - i. The first £300k of any surplus above the recovery position will on an annual basis be placed in a GLL provision, for the future pension liability costs at the end of the contract period.
 - ii. Any further surplus achieved will be subject to current profit share arrangement.
 - iii. The determination of the surplus will be through an 'Open Book Accounting' arrangement.
 6. Contract performance with clear measurable outcomes

 7. Capital funding of £2.3m will be made available to GLL. A total of just under £900k has been released through the Development pot held by GLL for investment into the facilities. A further sum of £1.4m from the relevant identified Section 106 resources is required to be approved. This decision will be made through the existing governance arrangements of the Infrastructure Delivery Steering Group making recommendations to the Infrastructure Delivery Board.

4. COMMENTS OF THE CHIEF FINANCE OFFICER

- 4.1 The agreement to the contract extension will achieve savings of £3.82m over the remaining years of the current contract, whilst the 3 year extension period will deliver a further £3.82m that achieves a total savings of £7.64m. In addition capital resources of £2.3m will be required to be invested in the facilities. A total of £0.9m has been made available through the shared development pot with GLL. The remaining balance of this investment of up to £1.4m will be made available from relevant Section 106 resources which will be reported through the Infrastructure Delivery Group and the Infrastructure Delivery Board. There is the possibility that the level of investment will help GLL achieve their recovery position much earlier and generate sufficient surplus at an earlier point during the period. At this point the surplus share arrangement will then be reinstated.
- 4.2 Provision is made in the accounts at the end of the financial year 2016-17 to reflect the Medium Term Financial Strategy savings of £1.2m. The achievement of the savings is subject to the approval by Cabinet to the terms of the waiver of the management fee and surplus share arrangements negotiated.

5. LEGAL COMMENTS

- 5.1 The Council has an overriding legal obligation under section 3 of the Local Government Act 1999 to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness. This is known as the Council's Best Value Duty
- 5.2 This contract is of its nature a concession contract as fundamentally GLL are granted the opportunity to exploit the Council's assets for reward. However, the contract was advertised in 2003 and therefore is outside the application of the Concession Contract Regulations 2016.
- 5.3 At the time of advertising the relevant European Law legislation was the Public Services Contracts Regulations 1993. However, the regulations only applied to Public Services Contracts. Contracts of the variety which is the subject matter of this report were specifically excluded under the definition of "Public Services Contract"
- 5.4 It is notable that brief consideration of the Public Contracts Regulations 2015 shows that they also do not apply to this situation.
- 5.5 However, this remains the case provided that the extension to the concession does not amount to a new award itself. The leading case is Presstext which sets out three rules to determine whether amendments to an existing contract should be considered to be material and therefore amount to a new award. A new award would attract the application of the current European Law (notable the Concession Contracts Regulations) and would therefore require re-advertisement in Europe.
- 5.6 According to Presstext an amendment should be considered material if it:
- 5.6.1 would have allowed others to participate in the tender or a different tender to be accepted;
 - 5.6.2 extends the scope of the contract considerably to encompass services not initially covered; or
 - 5.6.3 changes the economic balance of the contract in favour of the contractor in a manner not provided for in the terms of the initial contract.
- 5.7 Taking a reasonable view the first two tests appear to be not applicable as it is reasonably unlikely that the change in the pricing structure for the remainder of the contract and an increase in the contract length would have been unlikely to encourage different suppliers to participate in the original tender process and the actual services to be provided throughout the contract period remain the same.

- 5.8 As regards the third rule it would appear that the Council has gone to considerable lengths to ensure that the overall economic balance of the contract would not be more favourable to GLL following the application of the amendments having taken into account a reasonable judgement on population growth, centre capacity and fee levels. It would appear that the length of the extension to the contract is only that which is necessary in order for GLL to recover its original economic position.
- 5.9 The Council has a duty in accordance with section 3 of the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness. This is regarded as the Council's best value duty. The principle way in which the Council discharges this duty is to ensure that its contracts are subjected to competition. It is notable though that whilst the Council is not obligated under procurement law to subject this arrangement to competition care has been taken (as referred to above) to ensure that the Contractor is left in no better no worse a commercial position than was represented in the original tender. Therefore, the Best Value element of the original tender remains static in this arrangement.
- 5.10 It is notable also that the contract terms themselves also remain unchanged. The terms provided for methodologies for the continuing improvement of the facilities (both physical and service orientated) offered under the contract and the ability to work with the Council to improve the effectiveness of the services.
- 5.11 Therefore, it should be considered that the arrangement satisfies the Council's section 3 duty.
- 5.12 Given the fact that the nature of the service is not due to change it is unlikely that there will be an impact on people with protected characteristics for the purposes of the Equality Act 2010. However, the Council should still take such steps as are reasonable in order to assure itself of the position and to understand how such persons might be affected if at all.

6. ONE TOWER HAMLETS CONSIDERATIONS

- 6.1 The current Leisure Management Contract provision is consistent with the Council's duties to promote equality in all protected characteristics. Leisure Centres provide one of the main ways Tower Hamlets' residents can engage with healthier lifestyles and the impact of this service infrastructure on tackling health inequalities and community integration issues cannot be under estimated.

7. BEST VALUE (BV) IMPLICATIONS

- 7.1 The Leisure Centre Strategy forms an important investment prioritisation framework to help make the Council's network of leisure centres more operationally efficient while continuing to meet the needs of residents.

8. SUSTAINABLE ACTION FOR A GREENER ENVIRONMENT

- 8.1 There are no direct sustainable environment actions or environmental implications from the proposals in this report.

9. RISK MANAGEMENT IMPLICATIONS

- 9.1 The current contract is due to end 2nd May 2019, if a decision is not reached on the fee waiver negotiations, this will have an impact on the time table for retendering a new leisure management contract.
- 9.2 It is also important to note that with the development of Poplar Baths being pursued independently of existing leisure centre contracted arrangements there will be additional financial and performance complexities to consider going forward.
- 9.3 It is important to note that this contract was let in 2004, when many of the existing Tower Hamlets contractual requirements were not in place. So while GLL is required to meet all statutory legislative requirements for example the 2010 Equalities Act and HSE legislation, the operator is not contractually obliged to meet standards such as Fair Trade Goods and Products, the use of ethically and sustainably sourced goods and the London Living Wage.
- 9.4 However, despite this, the Council is working with GLL and following a range of discussions, work has taken place to continue to develop policies that support the Council's agenda such as carbon reduction and an equalities data review.

10. CRIME AND DISORDER REDUCTION IMPLICATIONS

- 10.1 There are no immediate risk management implications arising from this report. Leisure Centres and other community infrastructure are recognised to have a positive effect in improving rates of crime and anti-social behaviour,

11. SAFEGUARDING IMPLICATIONS

- 11.1 There are no safeguarding implications.

Linked Reports, Appendices and Background Documents

Linked Report

- NONE

Appendices


- Appendix 1 – Equalities analysis

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

- NONE.

Officer contact details for documents:

Or state N/A

<p>Cabinet</p> <p>19 September 2017</p>	 <p>TOWER HAMLETS</p>
<p>Report of: Zena Cooke – Corporate Director of Resources</p>	<p>Classification: Unrestricted</p>
<p>Corporate Budget Monitoring Report <i>Period 3 (June 2017) 2017-18</i></p>	

Lead Member	Councillor David Edgar, Cabinet Member for Resources
Originating Officer(s)	Kevin Miles , Chief Accountant
Wards affected	All Wards
Key Decision?	No

Executive Summary

In February 2017 the Council agreed a General Fund (GF) revenue budget of £338.9m and a Capital programme of £216.2m (GF £103.1m, £113.1m Housing Revenue Account (HRA) for 2017-18). This report details the projected outturn position for 2017-18 based on information as at the end of Period 3 (June 2017). The report includes details of:-

- General Fund (GF) Revenue Budget Position
- Housing Revenue Account (HRA) Budget Position
- GF and HRA Capital Programme Performance
- Progress delivering 2017-18 Savings
- Progress delivering Council Growth Priorities, including Mayoral Priority Growth
- Forecast use of Reserves
- S106, CIL and Capital Receipts Income
- Council Tax and Business Rates Income
- Debtors & Creditors
- Treasury Management Activities
- Pension Fund Investments Position

The Medium Term Financial Plan (MTFP) assumed in 2017-18 there would be a small contribution of £0.5m to the Council’s General Fund reserves.

Currently the General Fund forecast outturn is projecting an **underspend of £1.5m**. The HRA is projecting an **underspend of £0.7m**.

There are significant pressures in Children's Services however which is currently projecting a large overspend, much of this is attributable to social care. Similar concerns in Health, Adults and Community have been largely mitigated with the application of the Improved Better Care Fund and new Adult Social Care grants. The Resources Directorate are forecasting an outturn position of £0.6m overspent largely due to the costs of the contact centre.

The MTFS outlined for 2017-18 approved savings of £20.4m in order to deliver a balanced budget. An additional £5.7m relating to slippage from previous years must also be achieved.

The following items are potential risks to the budget, and Corporate Directors and Business Partners are working to mitigate these risks and reduce the risk of overspending.

- Social Care Costs
- Ofsted Outcomes
- Savings Delivery

Recommendations:

The Mayor in Cabinet is recommended to:

1. Note the Council's forecast outturn position against Revenue and HRA budgets agreed for 2017-18, based on information as at the end of June as detailed in Sections 3-10.
2. Note the summary savings position.
3. Endorse Management action to achieve savings.
4. Note current position of balance sheet items.
5. Note Reserve Position.
6. Note the Capital forecast outturn position.
7. Increase the capital estimate for the ICT Solution Handheld Devices by £0.45m to £1m in the capital programme.

1. ALTERNATIVE OPTIONS

- 1.1. The regular reporting of Revenue and Capital Budget Monitoring information provides detailed financial information to members, senior officers and other interested parties on the financial performance of the council. It sets out the key variances being reported by budget holders and the management action being implemented to address the identified issues.
- 1.2. Further information across the Council's key financial activities are also included to ensure that CLT and Members have a full picture to inform their consideration of any financial decisions set out in this report and also their broader understanding of the Council's financial context when considering reports at the various Council Committees.
- 1.3. Set alongside relevant performance information it also informs decision making to ensure that Members' priorities are delivered within the agreed budget provision.
- 1.4. It is important that issues are addressed to remain within the approved budget provision or where they cannot be contained by individual service management action, alternative proposals are developed and solutions proposed which address the financial impact; CLT and Members have a key role in approving such actions as they represent changes to the budget originally set and approved by them.

2. REASONS FOR THE DECISIONS

- 2.1. The Council could choose to monitor its budgetary performance against an alternative timeframe but it is considered that the reporting schedule provides the appropriate balance to allow strategic oversight of the budget by members and to manage the Council's exposure to financial risk. More frequent monitoring is undertaken by officers and considered by individual service Directors and the Council's Corporate Leadership Team (CLT) including approval of management action.
- 2.2. To the extent that there are options for managing the issues identified these are highlighted in the report in order to ensure that members have a full picture of the issues and proposed solutions as part of their decision making.

3. DETAILS OF REPORT

3.1. General Fund Revenue Budget Position

2016-17 Outturn position

- The final outturn position for 2016-17 was reported to Cabinet in June, this showed a net underspend of £0.7m. Although Children's Services and Health, Adults and Community Directorates showed significant overspends (mainly around social care), this was offset by corporate underspends due to growth and inflation not being required, the councils contingency and lower than expected capital financing costs.

- In total there was a net drawdown of £5.5m from the Council's reserves. A small number of earmarked reserves were also created to support Transformation and other Council priorities. Reserves were established to support the new Civic Centre and the Council's IT Strategy. At the 31 March 2017 the General Fund reserve was £31.7m which was in line with the MTFS.

2017-18 Budget Position

- In February 2017 the Council approved its Medium Term Financial Strategy (MTFS) for the period 2017 – 2020 including its 2017-18 General Fund budget of £345.9m.
- The General Fund forecast outturn for period 3 is currently showing an underspend of £1.5m after the application of approved growth and reserves. The forecast position for the Housing Revenue Account (HRA) is a surplus of £0.7m.
- Section 4 onwards provides the further detail supporting the Council's overall financial performance in 2017-18.

Table 1 – Summary – Corporate Monitoring Position Period 3 - June 2017

Directorate	Health, Adults & Community	Children's Services	Place	Governance	Resources	Corporate Costs	General Fund	HRA	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Revised Budget	138,619	101,672	61,768	12,578	24,218	7,058	345,913	12,014	357,927
Budget to Date	34,655	25,418	15,442	3,145	6,055	1,765	86,478	3,004	89,482
Actual	21,749	28,984	7,523	3,917	15,862	1,024	79,059	(35,648)	43,411
Forecast Outturn Position	139,087	110,676	62,168	12,778	24,772	(5,381)	344,369	11,294	355,659
Outturn Variance	468	9,004	400	200	554	(12,224)	(1,544)	(720)	(2,268)
Cause of Variance:									
Savings not achieved - Directorate	3,866	430	1,150	159	250		5,855		5,855
Savings - Cross Directorate						1,400	1,400		1,400
Corporate Provision						(4,690)	(4,690)		-
Impact on General Reserves	(3,398)	8,574	(750)	41	304	(8,880)	(8,880)	(720)	(9,523)
Total Variance	468	9,004	400	200	554	(12,170)	(1,544)	(720)	(2,268)

4. DIRECTORATE POSITION

4.1. **Governance**

- The Governance directorate has a net General Fund budget of £12.7m in 2017-18. As at month 3, the directorate is forecasting an overspend of £0.2m which is associated with the Registrars Service. The service income targets established as a result of previous years' savings are proving challenging to achieve. The service was unable to achieve those income targets and in 2016-17 the overspend (£138k) was mitigated through directorate underspends which are unlikely to re-occur in 2017-18. The directorate is reviewing the mitigation options and will bring forward a position paper to CLT in due course.
- There is a risk that the Strategy, Policy & Performance proposal to deliver savings of £0.6m in 2017-18 through the centralisation and consolidation of SPP functions is progressing however early indications are that the full savings target is unlikely to be achieved this year.
- There is also the potential that demand led pressures within legal services could lead to budget pressures within the service particularly as a result of the impact of the OFSTED inspection and the consequent actions being taken. This is being reviewed to ascertain if this is a true growth in service demand or a time limited position as a result of needing to deal with a backlog of cases. All other services within the Governance Directorate are currently forecasting a balanced position.

4.2. **Children's Services – Overspend £10.1m**

- The Children's Service directorate has an approved budget of £101.7m, against this it is forecasting an overspend of £10.1m, of which £9.0m relates to the General Fund. The remaining £1.1m relates to Dedicated Schools Grant (DSG).
- **Children's Social Care** is currently forecasting an overspend of £5.8m against a budget of £47.6m. It should be noted that this reflects the national picture, as 75% of councils nationally are reporting overspends in children's services according to recent research by the LGA. Key pressures are:
 - **Staffing (£2.5m):** There are three factors contributing to this overspend:
 - a) Underfunding of posts in the budget, where establishments have been budgeted based on the midpoint of salary scales, but where current postholders are weighted more towards the top of the scale.
 - b) Additional posts over establishment that have been recruited to meet additional demand.

- c) Increased costs from using agency staff instead of directly employed staff.

Following the 'inadequate' Ofsted rating, the service is experiencing an increase in demand with 15% more children on the caseload, an increase in monthly contacts of 41% and in referrals of 66% since April 2017. This is coupled with recruitment and retention issues due to the competitive market for children's social workers, leading to a need for increasing numbers of agency staff to fill meet short term staffing needs. Over a third of social work posts across Children's Social Care are currently covered by agency staff,. Our recruitment and retention package has been reviewed to ensure that it is competitive to attract sufficient skilled and experienced staff and we are implementing a recruitment and retention strategy to ensure that sufficient permanent staff will be recruited to reduce the pressure. Work is ongoing to quantify the long term additional needs for staffing budgets. It is likely that there will be a requirement for growth in future years.

- **Looked After Children (LAC) (£0.7m).** Tower Hamlets has historically had a low number of looked after children and the Ofsted report identified issues with delays in care proceedings and high thresholds. Work to resolve these issues are resulting in increasing numbers of children in care and we anticipate that these numbers will continue to rise; placing a pressure on the budget for looked after children. We have a relatively high proportion of older children coming into care with higher cost placements. Our sufficiency strategy will address how we can intervene earlier and improve the early help offer so that where children need to be taken into care they enter the system earlier, and that we are more effective in our interventions to support older children and prevent them from entering the care system. This will result in a shift in our LAC profile towards younger children, with lower placement costs and improved chances of permanency through adoption. Work on the sufficiency strategy includes financial modelling to forecast the impact of this shift which is likely to increase costs in the short term but reduce them in the medium to long term. This work will be completed in September to inform financial planning for the next three years. pressures on LAC costs will increase if there is a delay in this strategy.
- **Family support (£0.3m)** Pressure on Section 17 Children in Need. The demand pressures highlighted above in relation to staffing are also impacting on this budget. In particular, there has been an increase in the provision of support for children in need pre- legal care proceedings. Our review of legal processes will help to reduce this pressure by streamlining processes to reduce the amount of time that children require this support. In addition we are seeing an increase in the number of independent assessments that are being commissioned.

Again it is likely that growth will need to be identified in the MTFS for this budget at least in the short term. Our review of legal processes will have some impact during the next quarter and in the medium to long term, our work to improve the early help offer for children and families will help to manage demand for these services.

- **Family Intervention (£0.9m)** Pressure on SSF (Troubled Families) the service is currently looking at options to reduce these costs through a restructure, and reduction in costs of unfunded services.

Leaving Care (£1.5m) £1.4m of this pressure relates to the Leaving care accommodation budget and various factors have accounted for this. These include: increase in numbers of 18's year old clients, many of whom became part of LAC cohort late. These cohort tend to have expensive packages during and after transition hence the year on year increase in cost. The length of stay has also increased as clients can now be dependent to the authority until they are 25. This will have further budget implications over the coming years. Clients are also moving out of shared accommodation into higher needs accommodation with the rents of these properties being much higher. There was a pressure on this budget in 16/17 but apparently this was not reported and no growth requested during the last MTFP budget process.

- **Ofsted Improvement Plan.** Following the findings of the Ofsted Report published in April 2017; Children's Services have recently submitted their Ofsted Improvement plan to CLT for consideration. The initial costing exercise suggests that the additional one off cost is estimated at £5.1m over two years. The funding for these one off costs to deliver the improvements will have to be met from Council's reserves with suitable performance targets against them. There will be further work needed to establish the impact on ongoing service costs which will then need to be reflected in the MTFS.
- There is currently an overspend of £1.6m forecast against the Children's & Adults Resources budget. Key pressures are:
 - **Contract Services (£0.6m).** Contract Services (£0.6m). A review of the catering element of contract services has been undertaken and this identified a number of factors which has contributed to the deficit position. A revised set of options for meal menus and prices has been drawn up and was presented to the Schools Forum in June where it was confirmed that meal prices would increase to £2.35 for primary schools and £2.75 for secondary schools. Once fully implemented the meal price increases will address the current deficit. The Service will also be looking at options for future service delivery in order to reduce the immediate pressures on the budget; and it is

also intending to create substantive changes to its ways of working and operating in order to resolve any future potential for overspends.

- **Buildings (£0.3m).** Security on empty buildings is causing a pressure.
 - **School redundancies (£0.4m).** The costs of school redundancies cannot be met from DSG and therefore falls as a cost to the General Fund. In the light of current and anticipated reductions in the level of school budgets, schools are undertaking reorganisations which will give rise to some redundancy costs.
 - **Tower Hamlets Youth Sports Foundation (YSF).** The impact of the 2016-17 deficit on the Langdon Park School budget has been confirmed at £0.152m and this unbudgeted cost has been met by the Council in 2017-18. A further deficit relating to 2017-18 is anticipated and the Council has procured consultancy support to work with the school and the YSF to quantify this cost and minimise it as far as possible. Staff consultation on closure of the service has now commenced.
-
- **Learning and Achievement Service.** This Service is reporting an overspend of £2.5m (£1.4m General Fund and £1.1m DSG) against a budget of £85.6m (£17.8m General Fund and £67.8m DSG). Children's Centres has a savings target of £0.1m on hold pending the early years' service review. Work is ongoing to cost the impact of the reduction in Early Years DSG funding arrangements, which has been halved for 2017/18. Key pressures reported are:
 - **Special Educational Needs (SEN) (£0.8m General Fund and £1.1m DSG).** This service is subject to a wider service review. The pressures on the General fund are primarily due to increased activity within both internal and external Transport services. DSG pressures – the growing population of SEN cases in maintained and special schools is not in line with the cash allocation provided. Work is ongoing to review the top up funding for all provisions which have identified pressures.
 - **School Improvement Secondary (£0.4m).** The service will close by late October with only Home Services and NQTs operating as a traded service.
 - **Careers Service (£0.4m).** The Careers service is currently restructuring to make savings and is expected to move to the Place Directorate at the end of this financial year with a balanced budget.
 - **Pupil Admissions and Exclusions (-£0.1m)** The underspend on this service is due to the reduction in client transport activity

- **Sports, Leisure & Youth Service.** The youth service has been allocated £300K in 2017-18 from the Mayors Reserve Fund. This is funding £170K total cost of A Team Arts and the remainder for two pilot projects which will go out to procurement once the income has been drawn down.
- The £170K Annual Cost of A Team Arts is £99K staffing costs, £61K project costs and £10K for recharges. These amounts are recurring and the service would need to review structures again to accommodate the staffing costs beyond March 2018 unless the base budget is increased.
The service has profiled the £199K staffing costs to the end of the year and any additional spend is being profiled monthly as it occurs as an actual, this is partly contributing to the forecast overspend of £200K
- A Team Arts sessional workers have also been paid backpay to 2013 for annual rate increases that were not applied at the time, this is not yet showing in youth service actual budgets but may be an additional pressure if allocated to the existing A Team budget code
- In addition to the existing projected overspend the youth service restructure implementation has been delayed by six months. Of the £1.8m saving in the medium term financial strategy £1.6m of this was to be achieved from the structure so this represents an additional overspend risk of up to £800K though this is likely to be mitigated somewhat by vacancies.

4.3. Health, Adults and Communities (H,A&C)

- As at month 3 the H,A&C Directorate is forecasting a post-adjusted forecast overspend position of £0.5m being 0.3% of the revised budget of £138.8m. Table below provides a reconciliation between the pre and post adjusted financial position.

HAC Month 3 Summary Position

	Working Budget	YTD	Forecast as per Agresso	Month 3 Variance
	£000's	£000's	£000's	£000's
Adults Social Care	89,560.60	18,160.30	90,969.80	1409.20
Commissioning & Health	12,652.70	4,746.10	11,711.60	-941.10
Public Health	33,513.40	1,676.20	33,513.40	0.00
Community Safety	3,107.50	1,031.00	3,107.50	0.00
Adult's Holding Accounts	0	-1,154.00	0	0.00
H,A&C Total	138,834.20	24,459.50	139,302.30	468.10

- **Adjustments:** The below summary provides details of the adjustments made to the HAC budget.

In line with the medium term financial plan, the HAC Directorate has been awarded growth and inflation as detailed below.

- Inflation £1.92m
- Ethical Care Charter £1.41m
- Pay inflation £0.17m

This growth will be reflected in the budget going forward but has been assumed in the forecast outturn position

Improved Better Care Fund: The month 3 budget excludes the allocation of £7m of one-off grant funding for tranche 2 of the Improved Better Care Fund. As at month 3 approx. £4.0m of this funding has been identified to fund new schemes and the remaining balance of £3.0m is earmarked to fund the sustainability of Adult Social Care. An update on use of this grant will be provided in quarter 2.

In relation to the use of the £7m IBCF there are a number of risks/factors that need to be taken into consideration, this includes:

- The proposed use of IBCF funding requires Tower Hamlets Clinical Commissioning Group (CCG) sign-off
- The grant allocation may be decreased if targets around delayed transfers of care (DTOCs) are not met
- The impact on the longer-term sustainability of Adult Social Care needs to be carefully managed due to the value of this grant reducing over the 3 years to 2019-20

- **Savings:** The 2017-18 budgets include £7m of savings. This includes £3.3m of unachieved savings from prior years, The table below provides high level details of the savings allocations:

HAC Savings by Division Summary

	Savings allocations £000's
Adult Social Care (ASC)	4,793.00
Community Safety	1,398.00
Commissioning & Health	161.00
Public Health	678.00
Total Savings	7,030.00

- **Adult Social Care** budget is forecasting an adjusted month 3 position of £1.4m overspent. The below table provides a summary of ASC

Adult Social Care Adjusted Position

	Working Budget	YTD	Forecast as per Agresso	Month 3 Variance
	£000's	£000's	£000's	£000's
Adults Social Care	79,036.40	18,160.30	86,986.80	7,950.30
Adjustments				
Improved Better Care Fund	7,017.20		3,983.00	-3,034.20
Ethical Care Charter	1,413.00	0.00	0.00	-1,413.00
Inflation (pay & non-pay)	2,094.00	0.00	0.00	-2,094.00
	89,560.60	18,160.30	90,969.80	1,409.10

The key pressure area continues to be in the demand led residential and community based care services. Savings targets are concentrated in this area and there needs to be increased progress in the delivery of savings in order to reduce the budget pressure. A number of other factors may be contributing to this pressure including growth in demand. A key strand of the Smarter Together Transformation Programme is demand management and in Adult Social Care we have:

- Carried out work to scope opportunities for improved demand management
- Carried out two 'behavioural trials' with front-line staff supported to have different conversations with residents contacting us for support – these conversations take a strengths-based approach and encourage people to access community and preventative services wherever possible
- Reviewed our web-based information and advice and will be refreshing the content of our web pages to better signpost people to appropriate support services

- **Commissioning & Health.** An underspend of £0.941m is forecast against a budget of £12.65m. The key drivers of this underspend are carers income and BCF Funding of £0.461m and the re-provision of supporting people contracts £0.591m. At month 3 this is being used to offset pressures in the Adult Social Care budgets.

- **Public Health Budget** is projecting a balanced budget. There is some risk associated with the contracts for Primary Care and Sexual Health services as these are demand led services. Robust monitoring processes are in place to monitor this risk and the division is holding a contingency budget of £0.328m to offset any budget pressures that emerge in-year. To the extent that there is an

end of year underspend against the Public Health grant this must be retained in an earmarked and ring-fenced reserve

- **Community Safety** is projected to be balanced at year-end. There is some risk around substance misuse as this is a demand lead budget that is funded through Public Health grant, which needs to be viewed in the context of the commentary for the Public Health grant above.

4.4. **Place – Overspend £0.4m**

- The Council agreed a GF revenue budget for the Place Directorate of £61.8m (after net adjustment for parking control of 9.1m) in 2017-18. As at June 2017, the directorate base budget has been adjusted to recognise fully the income from Parking within the Place Directorate. Following this adjustment, there is a projected overspend of £0.4m. There are a number of factors that will impact on the directorate outturn position and these are detailed in the table.
- The forecast variance for the service reflects income generation opportunity from the CCTV network. This is targeted to achieve revenue of up to £0.4m. The last consultant report received stated that the likelihood of generating this level of income in the current market is optimistic and that a target of £0.2m should be considered. Further work is required to gauge whether this saving can be achieved with any certainty and progressed. This saving is being reported as a variance for this financial year and will be dependent on management action being in place to provide alternative options.
- **Housing & Regeneration variance of £0.3m.** This relates mainly to the underachievement of savings due to delays in the implementation of the restructure of the service. The variance also includes the impact of the increase of temporary accommodation costs not contained within the base budget.
- Due to the lack of availability of affordable temporary accommodation, around 85% of all placements are now out of the borough, with around 3% outside London. In order to increase supply and to avoid the high costs of temporary accommodation obtained on the external market, the Council has committed a capital investment of £30 million to purchase properties to let as temporary accommodation. Over time, significant cost savings should be realised from this initiative – the net revenue costs to the Council of placing applicants in its own units are estimated at £1,400 per annum per property, compared to an equivalent net annual cost of £6,500 for a nightly let obtained on the external market.
- In terms of managing demand, a range of initiatives are being undertaken. Examples include the service working with the Commissioning Team to develop a new hostels pathway designed to reduce demand for B&B for single homeless applicants and to increase throughput, and a preventing intentional homelessness protocol which, following a pilot with Poplar Harca, will be rolled out to other providers and private rented sector landlords.

- The Lettings Policy is designed to stem demand by removing perverse incentives for households to apply as homeless, and the Council has applied a quota for permanent offers of accommodation to try to increase the rate of offers to match or exceed new demand
- There are no consistent methods for benchmarking homelessness prevention work however the Council reported in the Government's P1E return for quarter 1 that it prevented homelessness for 118 households, and that it was joint 14th lowest borough in London for homeless acceptances (109) in the first quarter of 2017.
- **Property and Major Programmes variance of £0.4m.** This area contains a number of unbudgeted revenue costs associated with the Whitechapel Civic Centre up to £0.2m; vacant council premises awaiting disposal costs of circa £0.2m, including security and energy costs have contributed to overspend in this area in the past. Consideration will be given as part of the 2018-19 budget process to determine how best to provide for these on-going cost commitments in the budget.
- In the current financial year the additional costs necessary to secure the new Civic Centre site will be met from the corporate provision set aside to finance this project. Budgetary pressures arising from costs associated with holding other vacant properties that are awaiting disposal will also be met corporately and will be considered in conjunction with the significant levels of capital receipts that these assets will generate when sales are completed.
- **Public Realm variance £3m.** Of this variance only £2.8m is covered by centrally held reserves which will be released as normal when evidence is provided. The remaining pressure of £0.2m relates to the final repayment of the loan provided to fund the £1m capital payment for Northumberland Wharf.
- **Public Realm Budget Risks.** In addition to the reported variance the service has identified a number of risks that total £1.5m that are set out below. During the course of 2016-17 a number of MTFs savings were not achieved. One off mitigations in the budget was identified to cover the gap. Going forward these savings will continue to present a level of risks in the budget. This is due to the slippage in lead times for implementation and delivery of some of the savings proposals. The service is seeking at this time to put in place actions that will result in all or some of the budget pressures being mitigated during the course of the financial year.
 - The risks include the deletion of 10 Commercial Waste Tower Hamlet Enforcement Officer (THEO) posts of £0.5m will need to be incorporated within the divisional service restructure. The alternative delivery model for the Animal Warden Service which sought to transfer the service to LB of Hackney through a service level agreement, this needs to be reviewed to determine whether the model is feasible and level of savings of £0.2m achievable.

- Schools Crossing Patrol saving of £0.1m has not been achieved by recharging the schools that use the service. The intention is for the saving to progress by charging the schools that require the service. However, further work is needed to get to the position where agreement can be put in place with schools to deliver this service. It is anticipated that this could be delivered for 2018-19. There are mitigations in place to enable savings to be covered for this financial year.
- In addition there is a one off in year saving of £0.4m to the Street Enforcement and Response Services prior to completion of the antisocial behaviour review and the restructure of the enforcement service. The savings opportunities will continue to be reviewed and monitored and management action to address the budget pressure identified.
- The Advertising Income target of £1.2m has identified a budget gap of £0.400m. The income from the digital bus shelters was expected to cover this gap. It is anticipated that this income will not come on stream until 2018-19 where up to £0.4m can be achieved that will contribute towards the budget gap of £0.4m that the service will need to address.
- The proposed management action to mitigate the risks identified includes management of vacancies across the service, one off additional income sums and review of contract arrangements which should enable all or some of the risks identified above to be mitigated for the current financial year.
- this income will not come on stream until 2018-19 where up to £0.4m can be achieved that will contribute towards the budget gap of £0.4m that the service will need to address.
- The proposed management action to mitigate the risks identified includes management of vacancies across the service, one off additional income sums and review of contract arrangements which should enable all or some of the risks identified above to be mitigated for the current financial year.

- **Progress Delivering Savings**

The position on the overall savings for the directorate is set out in the detailed body of the report against each of the individual service areas. Appendix 3 sets out a total savings of £1.498m to be delivered in 2017-18 whilst identifying that there is still an outstanding savings requirement from 2016-17 of £ 1.2m. Both these totals are accounted for in arriving at the forecast outturn position.

4.5. **Resources Overspend £0.6m**

- The resources directorate has a net GF budget of £24.2m in 2017-18, including the Idea Stores and Idea Stores Learning budgets that have transferred in from the former CLC directorate and the smarter together budget requirement of £6.0m.

- After adjusting for expenditure approved to be funded from specific reserves, the overspend risk is expected to be £0.6m and management action is currently being reviewed to address this risk;
 - Budget pressure within the customer access service following loss of service / income from Tower Hamlets Homes – £0.6m risk.

5. Corporate Costs & Capital Financing - £12.2m Underspend

- 5.1. Corporate cost and Central financing budgets comprise provisions for unforeseen events (contingencies) and Council wide budgets for savings, growth and inflation approved at the time of the MTFS.
- 5.2. Currently the contingency budget can be used to offset unplanned service pressures highlighted above in the directorate sections of the report as well as the unavoidable growth and Mayoral priority expenditure and inflationary costs incurred in the current year.
- 5.3. The approved service pressure growth, inflation and mayoral priority growth still held centrally will be transferred to directorate budgets once evidence has been provided to demonstrate growth has materialised.
- 5.4. The total underspend is explained by
 - Income from earmarked reserves of £8.9m to fund ICT, Tackling poverty and Transformation savings projects.
 - General contingencies of £3.3m unallocated to support unforeseen pressures across services.
- 5.5. There is currently a risk of slippage in delivery of savings due to delays in the process; discussions are being held to identify mitigating actions and proposals for funding in the current year.

6. Housing Revenue Account (HRA) Revenue Budget Position

- 6.1. As at the end of June 2017, an underspend of £0.7m is projected against the overall Housing Revenue Account budget.
- 6.2. **Dwelling and Non-Dwelling Rents / Tenant and Leaseholder Service Charges: £0.2m underspend**
- 6.3. Rent and Service Charge income is currently projected to exceed budget, showing an estimated income of £0.2m above the full year budget of £90.4 million. This budget is directly affected by movements in dwelling stock numbers, particularly the number of Right to Buy disposals. Completions are slightly below estimated for the first two months of the year, totalling 21 disposals against an estimate of 200 for the year i.e. a projection of 33 in a two month period. This is discussed below.

7. Special Services, Rents, Rates & Taxes: £0.4m underspend

- 7.1. It is currently forecast that there will be an underspend on the energy budget due to prices being lower than was assumed when the budget was set. Expenditure

against budget is volatile however, with demand particularly linked to weather conditions over the winter months. Any leaseholder service charge over-recovery that results from actual charges being lower than those included in the estimated bills raised at the start of the financial year will be reflected when the actual service charge adjustments are processed during 2018-19.

7.2. In addition to the above two items, there are smaller variances forecast in respect of the repairs and maintenance and supervision and management budgets.

7.3. A particular area of potential budget variance relates to the significant Revenue Contribution to Capital Outlay (RCCO) estimate. Although this is currently forecast in line with budget, the HRA estimates assume an RCCO of in excess of £23 million, the majority of which is earmarked to support the use of retained Right to Buy receipts to develop new social housing. The Council is currently holding substantial levels of Right to Buy receipts which must be used for the supply of new housing. Tight time constraints apply to the use of these resources (they must be spent within three years of receipt) and if they are not utilised they must be paid to the Government with significant interest penalties falling on the Council. Capital estimates are in place to meet the expenditure profile required to maximise the use of these resources.

7.4. **Retained Right to Buy Receipts**

7.5. The Government's reinvigoration of the Right to Buy system in April 2012, has led to a significant increase in the number of right to buy applications. Key elements of the policy were the increase of the maximum discount available to tenants and a change to the previous Right to Buy capital receipt pooling arrangements whereby now local authorities can retain receipts for replacement housing – provided they can sign up to an agreement with Government that they will limit the use of the net Right to Buy receipts to 30% of the cost of the replacement. Since April 2017, the maximum RTB discount is £104,900.

7.6. The Authority has therefore entered an agreement with the government to allow it to retain a proportion of Right to Buy receipts to be spent on replacement social housing, with the following conditions:

- i. Retained 'one for one' receipts cannot fund more than 30% of total spend
- ii. Receipts cannot be used in conjunction with funding from the GLA/HCA
- iii. Receipts must be spent within three years or be returned with interest
- iv. Receipts cannot be given to a body in which the local authority has a controlling interest

7.7. Alternatively, the authority may use the receipts to grant fund another body, such as a Registered Provider (RP).

7.8. **Right to Sales and Retained Receipts**

7.9. Between April 2012 and the end of June 2017 there have been 908 RTB sales, of which 34 disposals have taken place during the current financial year.

7.10. As at the end of the first quarter of 2017/18, the Authority has £89.336 million of 'one for one' retained receipts, the breakdown of which and proposed usage is shown in the table below. Of this £5.036 million was received in the first quarter.

7.11. **Use of Right to Buy Receipts**

7.12. The Council has various initiatives in place to use the retained receipts; however it is restricted by the fact that these receipts can only fund 30% of the costs. The remaining 70% therefore has to be financed from other capital resources, and the borrowing constraints within the Housing Revenue Account mean that the Council is currently undertaking initiatives within the General Fund.

7.13. There are strict quarterly deadlines for the use of the receipts, and these must be met in order to avoid having to pay the resources to the DCLG. The fourth column of the table below shows the total spend required by quarter compared with the actual and projected spend in the final column. As can be seen, if the proposed expenditure profile is met, then pressures arise in the second quarter of 2018-19 (ending September 2018). Schemes and initiatives are currently being developed to ensure that these resources are fully utilised, however it must be stressed that it is essential that spend deadlines are complied with and that close monitoring continues to be undertaken.

RIGHT TO BUY ONE FOR ONE RECEIPTS – TOTAL SPEND NEEDED AND DEADLINES

Spend already incurred

Deadline	Quarter Received	1-4-1 Receipts	TOTAL SPEND NEEDED	Poplar Baths & Dame Colet	Buy-backs	RP grant scheme	New-build	Other	Total in Q	CUMULATIVE SPEND (ACTUAL)
		£m	£m	£m	£m	£m	£m	£m	£m	£m
31 Dec 16	Q3 13/14	1.503	5.010	15.18					15.18	15.180
31 Mar 17	Q4 13/14	3.508	16.703		3.51	3.12	2.21	4.19	13.02	28.202
30 Jun 17	Q1 14/15	3.481	28.305		7.908	0.00	0.14	0.01	8.06	36.258

Spend forecast

Deadline	Quarter Received	1-4-1 Receipts	TOTAL SPEND NEEDED	Poplar Baths & Dame Colet	Buy-backs	RP grant scheme	New-build	Other	Total in Q	CUMULATIVE SPEND (FORECAST)
		£m	£m	£m	£m	£m	£m	£m	£m	£m
30 Sep 17	Q2 14/15	4.246	42.459		5.28	6.20	1.43	12.00	24.91	61.163
31 Dec 17	Q3 14/15	7.065	66.007		5.28	0.00	2.18	10.00	17.46	78.621
31 Mar 18	Q4 14/15	6.115	86.389		5.28	0.98	6.45	8.00	21.11	99.732
30 Jun 18	Q1 15/16	4.000	99.721				5.38		5.38	105.116
30 Sep 18	Q2 15/16	6.660	121.921				8.16		8.16	113.276

31 Dec 18	Q3 15/16	6.678	144.179				10.87		10.87	124.142
31 Mar 19	Q4 15/16	6.419	165.577			4.73	14.70		19.42	143.567
30 Jun 19	Q1 16/17	9.024	195.656				15.01		15.01	158.579
30 Sep 19	Q2 16/17	10.487	230.612				11.05		11.05	169.630
31 Dec 19	Q3 16/17	9.579	262.541				5.32		5.32	174.946
31 Mar 20	Q4 16/17	5.538	281.000				1.15		1.15	176.097
30 Jun 20	Q1 17/18	5.036	297.788							176.097
Total		89.336								

7.14. A decision will be made at the end of the financial year about how best to finance the HRA capital programme, at which point it may be considered better for the HRA to use other resources. If not fully required then the resulting underspend in RCCO will carry forward in HRA balances and be earmarked to fund capital in future years.

7.15. It should be noted that in order to address fire safety concerns following the recent fire at Dickenson House on the Avebury Estate, additional resources are being made available to Tower Hamlets Homes (THH) to fund the appointment of extra staff. This funding is being approved via a Mayoral decision. The financial implications will be reflected in future budget monitoring reports and will have the effect of increasing the revenue management fee payable to THH as well as requiring a re-profiling of the HRA capital programme.

8. Mayoral Priority Growth

8.1. The MTFs agreed on the 22nd February 2017 set aside budget provision for a number of specific mayoral priority projects designed to improve specific outcomes for residents and businesses.

8.2. The range of initiatives included projects that would improve employment opportunities for residents, with particular targeted support vulnerable groups such as young people, care leavers, residents over 50 and women. There are also initiatives to help improve the local environment and tackle poverty within the borough through the Mayors Tackling Poverty fund. The detailed list of projects and progress in delivering the mayoral and strategic priority outcomes is included in Appendix 5.

8.3. A number of schemes such as the ethical care charter and continuing with funding universal free school meals are already underway and directorate budget forecasts reflect this. The remaining projects are being developed and will be reflected in directorate forecasts in due course.

9. Total 2017-18 savings

9.1. Total target for 2017-18 is £26.1m (£20.4m relates to 2017-18 and £5.7m as a result of previous year savings not delivered).

2017-18							
Smarter Together Programme	Base budget £'000	Savings target £'000	Delivered/ cashed £'000 Actual savings delivered to date	Forecast savings RAG Green £'000 Year end position	Forecast savings RAG Amber £'000 Year end position	Variance	
						Slippage £'000 Element of savings target that will be delivered in future years	Under / (over) delivery £'000 Amount not achievable (over achievement of savings)
Health, Adults & Community	78,956	7,430	448	2,470	1,094	570	3,296
Children's Services	16,265	3,201	-	1,900	871	186	244
Place	35,377	2,248	-	1,098	-	-	1,150
Resources	93,862	4,743	1,525	1,175	3,018	-	550
Governance	-	159	-	-	-	-	159
All	84,603	8,319	1,250	1,419	5,800	800	300
Total	309,063	26,100	3,223	8,062	10,783	1,556	5,699

9.2. Total target for 2017-18 is £26.1m (£20.4m relates to 2017-18 and £5.7m as a result of previous year savings not delivered)

- £8.1m is highlighted green indicating a higher level of confidence that savings are on track to be delivered / being delivered;
- £10.7m is highlighted amber indicating that further work needs to be done but there is an expectation that these projects will deliver desired savings;
- £1.5m is forecast to slip into 2018-19 due to timing issues;
- £5.7m is currently classed as at risk of non-delivery;
- £0.8m of this relates to new 2017-18 savings (£0.6m local presence / customer contact centre); and
- £4.9m relates to previous year savings – these have been designated as risk of non-delivery pending further work with Finance Business Partners to establish the status of these projects.

10. Forecast Use of Reserves

10.1. The Council is required to hold a number of reserves on its Balance Sheet against specific purposes or circumstances.

- 10.2. A small contribution of £0.5m will be made to General Fund if the forecast outturn position remains in line with that expected in the MTFP.
- 10.3. The table below shows a summary of Earmarked reserves requested, pending the approval of the Corporate Director, Resources.

EARMARKED RESERVES	Requested		Approved	Balance (Subject to Approval)	Comment
	£'000	£'000	£'000	£'000	
Transformation	25,000		-6000	19,000	Resources : Smarter Together Programme
ICT / Finance Systems	23,068		-2100	20,968	Resources : ICT Transformation
Other	962			962	
Parking Control	3,295			3,295	
Building Control	373			373	
Land Charges	749			749	
Place (formerly Development & Renewal) Other*	0			0	
Communities, Localities & Culture*	0			0	
Children, Schools & Families*	0	0		0	Children's Services : early intervention Reserve
Adults, Health & Wellbeing*	0			0	
Law, Probity & Governance & Resources*	0			0	
Insurance	20,771			20,771	
Schools Balances	24,714			24,714	
New Civic Centre	20,000			20,000	
New Homes Bonus	7,258			7,258	
Free School Meals	6,000			6,000	
Mayor's Investment Priorities	10,000			9,100	Children's Services: Mayors Reserve Youth and Connections Service
Risk Reserve	10,500			10,500	
Revenue Grants	1,643			1,643	
Welfare Reform	5,000		-1000	4,000	Resources : Mayor Tackling Poverty
Earmarked Reserve Total	159,333		(9,100)	150,233	

- 10.4. A full Summary of projected Reserve movements during the period of the MTFP can be found in Appendix 2.

11. Section 106 and Community Infrastructure Levy (CIL)

Section 106 - Background

- 11.1. Section 106 (S106) Agreements are legal agreements between Local Authorities and developers. They are drafted when it is considered that a development will have a significant impact on the local area that cannot be moderated by means of conditions attached to a planning decision.

- 11.2. The Council's approach to securing planning obligations is set out in the S106 Planning Obligations Supplementary Planning Document (SPD) adopted in 2012. This document formalises that s106 contributions are secured and paid by the developer to the Council. Payments are due at trigger points throughout the lifecycle of a development and are applied to finance expenditure under defined themes including; Affordable Housing, Education, Community & Leisure Facilities, Employment and Enterprise, Health, Sustainable Transport, Environmental Sustainability and Public Realm & Public Open Space.
- 11.3. Once s106 contributions are received, each is required to be spent in line with the funding requirements/themes for which it was initially secured and cannot be spent for any other purpose.

Section 106 Funding by Category

- 11.4. Planning Obligation funding (s106) can be spent on a range of projects and these categories are highlighted in the table below. Currently, projects are developed by the responsible Directorates and approvals are sought in accordance with the Council's Infrastructure Delivery Framework (IDF) that was approved by the Mayor in Cabinet in October 2016. Going forward, this may need further consideration as it would seem sensible to adopt a corporate approach linked to the Council's borough-wide capital strategy in order to form the basis for proposing the projects for decision through the IDF.
- 11.5. As at 30th June 2017, a total of £82.5 million was held in the s106 account. An analysis of the resources held between various categories of project and their status is shown in the table below, including the relevant delivery partners where appropriate.
- 11.6. In addition to the s106 balances listed, interest of £1.2 million has accrued to the account.

Section 106 - Council Projects

Directorate	Area	Balance at 1st April 2017 £,000	Receipts 2017-18 £,000	Balance at 30th June 2017 £,000	Allocated £,000	Unallocated £,000
Place	Affordable Housing	3,563	26	3,589	0	3,589
Place	Carbon Offsetting	1,187	500	1,687	439	1,248
Place	Community Facilities	2,660	2	2,662	1,056	1,606
Place	Environment & Public Realm (CLC)	6,718	4	6,722	3,695	3,027

Place	Master Plans and Studies	366	0	366	329	37
Place	Millennium Quarter	966	0	966	447	519
Place	Transport Infrastructure	4,619	8	4,627	2,986	1,641
Place	Employment & Enterprise	6,100	121	6,221	3,771	2,450
Total		26,179	660	26,840	12,723	14,117

Children's	Public Art	466	0	466	424	42
Children's	Community Facilities	766	0	766	549	217
Children's	Education	20,744	173	20,917	7,988	12,929
Children's	Leisure	2,447	50	2,497	556	1,941
Children's	Landscape and Open Space	6,436	1,168	7,604	2,974	4,630
Total		30,859	1,391	32,250	12,491	19,759

Resources	Community Facilities	475	9	484	177	307
Total		475	9	484	177	307
Total		57,513	2,060	59,574	25,391	34,183

Section 106 - Projects undertaken with External Delivery Partners

HAC	Health	17,950	897	18,847	8,927	9,920
Total		17,950	897	18,847	8,927	9,920

External	London Thames Gateway Development Corporation	2,259	0	2,259	1,049	1,210
External	Transport for London	1,799	0	1,799	73	1,726
External	Environment	15	0	15	0	15
Total		4,073	0	4,073	1,122	2,951
Total		22,023	897	22,920	10,049	12,871

GRAND TOTAL		79,536	2,957	82,494	35,440	47,054
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Key:

'Allocated' – Contributions have been ring-fenced and allocated to a project in accordance with the Infrastructure Delivery Framework.

'Unallocated' – Section 106 contributions have been received by the Council but they have not yet been committed towards the funding of a project, although Project Initiation Documents (PIDs) might be in the process of being prepared. Projects being delivered by third parties (e.g. Transport for London or National Health Service partners) require a business case to be submitted prior to a PID being prepared and submitted for consideration by the Infrastructure Delivery Board.

- 11.7. Section 106 resources often come with time constraints and, whilst it is important that these resources are not lost, the prioritisation of projects needs to be seen in

the context of the Council's Capital Strategy. Due to the risk that funding will have to be repaid to developers, with interest, if the time period specified in the Section 106 agreement expires, it is important to ensure that projects continue to be closely monitored and that actions are taken to mitigate any risk that resources will be lost. It is important that a sufficiently broad planning horizon continues to be implemented to reduce the risk of resources being lost but also to avoid the crowding out of other important capital priorities due to funding imperatives.

Community Infrastructure Levy - Background

- 11.8. The Council receives Community Infrastructure Levy funding for most new developments which create net additional floor space or a new dwelling. These resources help to finance the infrastructure required to support the development of the area, with spending decisions being made in accordance with the Council's Infrastructure Delivery Framework. The Council also collects CIL on behalf of the Mayor of London.

Mayor of London's CIL (MCIL)

- 11.9. This levy is set by the Mayor of London and is collected by the Council for which a 4% administration fee is retained. The MCIL is passed to Transport for London (TfL) where it is being used to fund Crossrail 1. The Mayor of London has recently completed a consultation into the introduction of MCIL2, with the intention that from April 2019 it will supersede the current arrangements and the associated planning obligation/S.106 charge scheme applicable in central London and the northern part of the Isle of Dogs. MCIL2 will be used to contribute to funding for Crossrail 2.

Tower Hamlets' CIL (THCIL)

- 11.10. The Council's CIL charging schedule was introduced in April 2015 and, as at 30th June 2017, the Council had received CIL income totalling £30.6 million.
- 11.11. The types of infrastructure projects the Council could wholly or partly spend THCIL on is described in the Council's CIL Regulation 123 List (April 2016) set out below.

CIL Regulation 123 List (April 2016)

Types of strategic infrastructure (including new provision, replacement or improvements to existing infrastructure, operation and maintenance):

- Community facilities
- Electricity supplies to all Council managed markets

- Employment and training facilities
- Energy and sustainability (including waste) infrastructure
- Flood defences
- Health facilities
- Infrastructure dedicated to public safety (for example, wider CCTV coverage)
- Leisure facilities such as sports facilities, libraries and Idea Stores
- Open space, parks and tree planting
- Public art provision
- Public education facilities
- Roads and other transport facilities

The inclusion of a type of infrastructure in the list does not signify a commitment from the Council to wholly or partly fund it through CIL which can only be used to fund the provision, improvement, replacement, operation or maintenance of infrastructure to support the development of the area.

Local Infrastructure Fund (LIF)

- 11.12. CIL Regulation 59A requires that 15% (or 25% where a neighbourhood plan is in place) of CIL collected should be allocated as the 'Neighbourhood Portion' to be spent on Council infrastructure priorities following consultation with local communities where development is taking place.
- 11.13. The Mayor in Cabinet has agreed that 25% of CIL receipts should be allocated as the CIL Neighbourhood Portion across the whole borough, to be entitled the 'Local Infrastructure Fund' (LIF). The Council consulted on LIF from 27th June to 8th August 2017, and the results of this consultation will ultimately inform the allocation of LIF to local projects. Expenditure will be determined as part of the Annual Infrastructure Statement (AIS) which will be considered by the Mayor in Cabinet in November 2017.

Council CIL Spending Proposals

- 11.14. The Council will have clearly set out proposals for the service allocation of CIL funding by the end of 2017. These proposals will be referred to the Mayor in Cabinet and will be reflective of information provided to officers through comprehensive evidence gathering, analysis and engagement as part of the alignment of the AIS with the requirements of the Capital Strategy.
- 11.15. As outlined above, as at 30th June 2017, the Council had received CIL income totalling £30.6 million. Of these resources, only £136,000 has been allocated to date – towards the financing of an Idea Store Interactive Learning project. Unlike Section 106 funds, CIL resources are not time limited in their use, nor ring-fenced to specific schemes.

Community Infrastructure Levy Resources – 30th June 2017

Balance at 1st April 2017 £,000	Receipts 2017-18 £,000	Balance at 30th June 2017 £,000	Allocated £,000	Unallocated £,000
25,557	5,031	30,588	135	30,453

- 11.16. The CIL regulations allow for up to 5% of these funds to be used to finance the Council's administration of the CIL process.

Conclusion – Section 106 and Community Infrastructure Levy

- 11.17. For both Section 106 and CIL resources, it is clear that identifying and understanding the relevant priorities of schemes that could be funded from these sources is essential in order to manage the value for money achieved from them.

12. Council Tax and Business Rates Income

- 12.1. The table below highlight the in-year collection performance for both Council Tax and Business Rates.

	Current Year debt (£m)	Total collected (£m)	Collection %	Previous Years debt (£m)	Total collected (£m)	Collection %
Business Rates	444.0	120.0	27%	20.7	9.5	46%
Council's share (30%)	133.2	36.0		6.2	2.9	
GLA's share (37%)	164.3	44.4				
Government's share (33%)	146.5	39.6				
Council Tax	116.5	31.1	27%	16.9	2.0	12%
Council's share (77%)	90.0	24.0		13.1	1.5	
Government's share (23%)	26.5	7.1		3.8		

- 12.2. For both Council Tax and Business Rates a Collection Fund operates to account for in-year activity, i.e. the actual amounts collected taking into account changes in the tax -base which happen during the year as new properties are added, taxpayers move, appeals are settled etc. however, the amount that is brought into an individual year's budget comprises three distinct elements:

- The estimated yield from the precept for the forthcoming financial year (FY) based on the January CTB / NNDR form (which once set does not vary);
- The estimated surplus or deficit (based on the January position) from the current FY; and
- The final surplus or deficit from the previous financial year, following closure of that year's accounts (bringing into account differences between the January estimate and the final outturn position).

- 12.3. There has been considerable growth in the Council Tax-base as a result of Single Person Discount (SPD) reviews, reducing long term empty properties and exemptions, changes to the Local Council Tax Support Scheme, and the rate of new properties being added to the Tax-base.
- 12.4. The effect of this increase has seen total properties rising from 126,094 to 127,454. Consequently, the Council Tax base has risen from 89,335 to 91,432 creating a rise in the collectable debit of £2.3m to £116.9m.
- 12.5. Currently the overall surplus for council tax is £2.0m to be shared with GLA
- 12.6. Currently the overall surplus for NNDR is £22.6m to be shared with GLA and central government. Please note however this may well reduce as we go through the year and instalments drop off in the final quarter.

13. Debtors and Creditors

- 13.1. Debtors are organisations, businesses and individuals that owe the council money. The table below categorises the nature of the debt on the same basis as the financial statements. The first three months of the year shows that there has been a small decrease overall in the debtors position of £2m. With the largest movement in the other debt category. Both Central Government and Local authorities are showing a decrease which is largely due to the collection fund deficit. Payments in advance are only a year end adjustment.

	31-03-2017 £'000	30-06-2017 £'000
Central Government	21,669	8,062
Local Authorities	3,320	-2,080
Other Debtors	52,661	72,705
Payments in Advance	2,837	
Total	80,487	78,687

Other debtors breakdown

Trade and Sundry debtors	31,028	2,189	
Council Tax debtors	2,542	-5,728	This is the net position including Council Tax receipts, this is grossed up at year end to eliminate receipts
Payroll Debtors	2,570	16,695	Recovery from schools to be put through
Parking	721	15,781	Old year is net of bad debt provision
Rents & Service Charges	2,430	36,597	Invoices raised at beginning of financial year
NNDR	6,200	-	This is the net position including NNDR receipts, this is grossed up at year end to eliminate the credits
Housing Benefits Overpayments	7,170	7,170	
	52,661	72,705	

- 13.2. Creditors are organisations, businesses and individuals that the council owes money to. The table below categorises the nature of the debt on the same basis as the financial statements. Overall this position has increased by £50m and this is largely due to unallocated government grants totalling £82m.

	31-03-2017 £'000	30-06-2017 £'000
Central Government	29,330	118,302
Local Authorities	8,871	6,844
Sundry Creditors	61,174	70,539
Accruals	40,292	68
Receipts in Advance	14,487	8,330
Total	154,154	204,083

14. Treasury Management Activities

- 14.1. Following on from a recent tender exercise, a new Treasury Management advisor, Arlingclose Ltd. have been appointed from 1st August.
- 14.2. Overall investment balances increased during June and closed higher at £501.9m, up from £487.9m. This increase was partly due to the withdrawal of £50m of pension equity investments to lock in gains. These monies are awaiting allocation to fund managers in line with the Pension Fund investment strategy a review of which is currently taking place.

- 14.3. The weighted average rate of return of the Council's investment portfolio for June was 0.41% compared to the average return of 0.48% earned for May. The current benchmark return is based upon the 7 day London Interbank Bid rate (LIBID) and average rate as at June 2017 was 0.10%.

Investments Outstanding & Maturity Structure

- 14.4. The table below shows the amount of investments outstanding at the end of June 2017, split according to the financial sector.

FINANCIAL SECTOR	£m	%
Banks in the UK	55.0	10.96
Building Societies in the UK	20.0	3.99
Banks in the Rest of the World	135.0	26.90
Government & Local Authorities	35.5	7.07
Money Market Funds	256.4	51.08
Investments Outstanding as at 30/06/2017	501.9	100.00

- 14.5. Just over half of the investments are held in Money Market Funds to provide liquidity and to diversify risk. Only £10m of investments are for periods longer than 12 months.
- 14.6. Work is being carried out to determine a more robust capital expenditure forecast in order to plan how best to invest surplus core cash for the longer term. Officers are also reviewing longer term investment options with our new advisors.

Borrowing

- 14.7. The Council's borrowing portfolio stood at £85.9m at the end of June 2017, however with a large investment balance, there is no major borrowing requirement for the foreseeable future as spending can be funded from investment balances.

Borrowing at 30/06/2017	Value £m	Rate %
PWLB: <i>Fixed</i>	8.436	6.64
Market Loan: <i>Fixed</i>	17.500	4.34
Market Loan: <i>LOBOs</i>	60.000	4.32
Total External Borrowing	85.936	4.55

15. Pension Fund Investments Position

- 15.1. Over the quarter to 30 June, the fund decreased marginally in value from £1.379bn to 1.377bn. The Actuary estimates the funding level of the pension fund had increased to 85.9% at 31st March 2017 from 82.8% in 2016 – this represents a deficit of £222.9m, down from £235m.
- 15.2. The July Pensions Committee agreed to discontinue the Global equity mandate with GMO worth £278m as at 30th June 2017. LGIM will be appointed transition manager. It was agreed to increase the investment in the Council's Diversified Global Funds mandate from 10% to 20% of the total fund by topping up the

existing DGF fund mandates (Baillie Gifford and Ruffer held within the London CIV) by 5% each.

- 15.3. The September Pensions Committee will finalise the new investment strategy for the pension fund. With strong equity performance in recent years, the fund will be looking to lock in equity investment gains and also decreasing the equity investment risk in the fund. Following a presentation from the new advisors, Mercers, the Committee will give further considerations to repositioning of equity assets with a view of disinvestment in passive UK equity and investment in passive global equity, low carbon global equity and sustainable equities.
- 15.4. Investment allocations for long lease property assets and multi-asset credit would also be looked into.

16. Capital

- 16.1. The capital budget for 2017-18 now totals £231.7m, increased from the £216.3m reported to Cabinet in February 2017 as part of the budget-setting process. The increase is mainly due to the inclusion of previous year slippage into the current year budget and adoption of new capital estimates.
- 16.2. Details of all the changes to the capital budget are set out in Appendix 4
- 16.3. Total capital expenditure to the end of Quarter 1 represented 6% of the revised capital programme budget for 2017-18 as follows:

	Annual Budget as at 30-Jun-17	Spent to 30-Jun-17	% Budget Spent
	£m	£m	%
TOTALS BY DIRECTORATE:			
Health, Adults and Communities	3.489	0.397	11%
Children's Services	38.129	3.582	9%
Place	54.598	4.732	9%
Housing Revenue Account (HRA)	117.693	4.670	4%
Resources	1.367	0.000	0%
Corporate	16.469	0.551	3%
GRAND TOTAL	231.745	13.932	6%

This compares with 3% at the same stage last year. Expenditure tends to be heavily profiled towards the latter months of the financial year.

16.4. Projected capital expenditure for the year compared to budget is as follows:

	Annual Budget as at 30-Jun-17	Projection 30-Jun-17	Forecast Variance
	£m	£m	£m
TOTALS BY DIRECTORATE:			
Health, Adults and Communities	3.489	3.392	-0.097
Children's Services	38.129	31.502	-6.627
Place	54.598	51.629	-2.969
Housing Revenue Account (HRA)	117.693	83.803	-33.890
Resources	1.367	1.367	0.000
Corporate	16.469	6.340	-10.129
GRAND TOTAL	231.745	178.033	-53.712

Programme slippage of £53.7m is currently being projected. This indicates that there is a significant risk that the capital programme for 2017/18 will not be achieved. Some of the risks are set out below.

16.5. **Corporate Budget Provision for Infrastructure Delivery (£11.2m)**

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. Sessions have been scheduled to agree allocations in the year. It is anticipated any amounts unspent in the current year will be rolled forward to future years.

16.6. **Housing Buybacks 1-4-1 Receipts HRA (£26.3m)**

The budget for this programme will be re-profiled and partly moved to a General Fund scheme relating to purchase of properties for use as temporary accommodation.

16.7. **Parks (£3.9m)**

The scope of work is still under review for two schemes relating to Bartlett Park. Project plan developments are underway for schemes currently included in the budget as indicative. Projects are profiled to spend from quarter 2 onwards.

16.8. **Development and Renewal Section 106 Schemes (£2.3m)**

Most of this budget relates to s106 funded schemes that are yet to be formally approved through the s106 & CIL Infrastructure Delivery Board process.

16.9. **Blackwall Reach (£1.7m)**

The remaining budget under the Blackwall Reach regeneration programme will be re-profiled to 2023-24.

16.10. **ICT Solution - Handheld Devices £0.45m**

Approval is sought to increase the capital estimate by £0.45m for the implementation of the fusion mobile solution project. The total cost of the project

for both phases one and two is £1m. The cost of the project has increased due to revisions to the scope to now include Markets, the complexity of functionalities and volumes associated with the PSI mobile project. The increased cost will be funded from the Street Trading Reserve £0.2m and the balance from the ICT Reserve.

- 16.11. **Capital receipts received in 2017-18** from the sale of Housing and General Fund assets as at 30th June 2017 are as follows:

Capital Receipts*		
	£m	£m
Dwellings Sold under Right To Buy (RTB)		
Receipts from RTB sales (34 properties)	6.279	
less poolable amount paid to DCLG (Q1 estimated)	-0.434	
		5.845
Sale of other Housing Revenue Account (HRA) assets		
Preserved Right to Buy receipts	1.126	
43 Saltwell Street	22.500	
		23.626
Sale of General Fund assets		
		0.000
Total		29.471

* Receipts shown gross before costs of sale are deducted

- 16.12. 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.

17. COMMENTS OF THE CHIEF FINANCE OFFICER

- 17.1. This report is primarily financial in nature and therefore the appropriate comments are included throughout; there are no additional comments to make.

18. LEGAL COMMENTS

- 18.1. The report provides financial performance information. It is consistent with good administration for the Council to consider monitoring information in relation to plans and budgets that it has adopted.
- 18.2. 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 financial and other performance information is an important way in which that obligation can be fulfilled.

18.3. 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 the Cabinet to receive information about the revenue and capital budgets as set out in the report.

18.4. When considering its performance, 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). The Council’s budgets are formulated by reference to its public sector equality duty and monitoring performance should help to ensure they are delivered.

19. ONE TOWER HAMLETS CONSIDERATIONS

19.1. The budget monitoring report assists in reviewing the financial performance of the Council. It ensures that financial resources are applied to deliver services meeting the needs of the diverse communities living in Tower Hamlets and supporting delivery of One Tower Hamlets.

20. BEST VALUE (BV) IMPLICATIONS

20.1. The Council’s achievement of the principles of Best Value are assessed annually as part of the final audit of the Council’s financial statements by the Council’s external auditors KPMG.

21. SUSTAINABLE ACTION FOR A GREENER ENVIRONMENT

21.1. There are no specific actions for a greener environment implications

22. RISK MANAGEMENT IMPLICATIONS

22.1. There is a risk to the integrity of the authority’s finances if an imbalance occurs between resources and needs. This is mitigated by regular monitoring and, where appropriate, corrective action. This report provides a corporate overview to supplement more frequent monitoring that takes place at detailed level. The explanations provided by the Directorates for the budget variances also contain analyses of risk factors.

23. CRIME AND DISORDER REDUCTION IMPLICATIONS

23.1. There are no specific crime and disorder reduction implications.

Linked Reports, Appendices and Background Documents

Linked Report

None

Appendices


Appendix 1 – Control Budget

Appendix 2 – Reserve Movements

Appendix 3 – Savings Tracker Summary and Detail

Appendix 4 – Capital Monitor

Appendix 5 – Mayoral Priorities

<p>Cabinet</p> <p>19 September 2017</p>	
<p>Report of: Will Tuckley, Chief Executive</p>	<p>Classification: Unrestricted</p>
<p>Q1 (April-June) Strategic Performance Monitoring Report</p>	

Lead Member	Mayor John Biggs
Originating Officer(s)	Sharon Godman, Divisional Director Strategy, Policy and Partnership
Wards affected	All wards
Key Decision?	No
Community Plan Theme	One Tower Hamlets

Executive Summary

This paper provides details of the Council's performance against Strategic Measures during quarter one (April-June 2017).

Recommendations:

The Mayor is recommended to:

1. Review the performance of the Strategic Measures at the quarter one stage, including those measures where the minimum expectation has been missed (appendix 1);
2. Review those measures that require improvement and identify any that should be referred to the Council's Performance Improvement Board (PIB) and the Overview and Scrutiny Committee where appropriate.

1. REASONS FOR THE DECISIONS

- 1.1 The Council's Performance Management and Accountability Framework sets out the process for monitoring the Strategic Plan and performance measures which are reported regularly to the Corporate Leadership Team, Overview & Scrutiny Committee and Cabinet.
- 1.2 This report promotes openness, transparency and accountability by enabling Tower Hamlets' residents to track progress of activities that matter most to them and their communities.

2. ALTERNATIVE OPTIONS

- 2.1 Cabinet can decide not to review the performance information. This is not recommended as Members have a key role to review and challenge underperformance and also utilise performance information to inform resource allocation.

3. BACKGROUND

- 3.1 This report summarises the Council's performance during quarter 1 of 2017/18 (April to June 2017) in delivering year two of its three year strategic plan. The year two plan, which was agreed by Cabinet in April 2017, builds on the Council's achievements in year one of the plan (2016/17) and sets out ambitious plans to achieve the outcomes detailed in the Strategic Plan.
- 3.2 Following the decision of the Secretary of State to return full decision making powers to the Council during 2016/17, the Council has developed a Best Value Improvement Plan 2017-18 and established a Best Value Improvement Board which will continue delivering sustainable improvements against the Best Value areas over the coming year.
- 3.3 In January-February 2017 Children's Services were inspected by Ofsted under the "single inspection framework" for children in need of help and protection, children looked after and care leavers, which graded Children's Services as "inadequate" in its overall judgement. In response the Council has developed an Improvement Plan which was submitted to the Secretary State for Education in July 2017 and established a Children's Services Improvement Board
- 3.4 The Improvement Plan contains detailed actions for service improvement which fall into four key priorities: leadership, management and governance; robust model of social work practice; sufficient and skilled workforce; quality assurance and audit. Alongside the additional strategic measures, these are being closely monitored through practice audits and comprehensive performance data to allow for greater understanding of progress. The Children's Services Improvement Board will deliver the strategic oversight and challenge required to ensure that appropriate, timely change and impact is being delivered according to the Improvement Plan.
- 3.5 The Council has also refreshed its approach to performance management in recognition of the improvement journey which it is on. The refreshed approach supports greater focus on areas of high risk, strengthening the leadership role of managers and members and providing more robust review and challenge to poor performance and areas of concerns. The Council will also seek to further develop public performance reporting during 2017/18, ensuring that information is available in a more accessible format for local people.

- 3.6 This report notes the significant progress made during Quarter 1 2017/18 in delivering year two of the Strategic Plan and achieving the associated stretch targets set in the strategic measures. Appendix 1 sets out in detail how the Council has performed during Quarter 1 against the basket of 31 strategic measures that can be reported on this quarter.

THE STRATEGIC PLAN

- 3.7 Cabinet agreed year two of the three year Strategic Plan in April 2017. Of the 25 Measures suitable for comparison with performance at the same period in 2016/17, 70% (16) show improved performance. Table 1 shows performance by priority outcome area. Sections 4.5, 4.22 and 4.30 of this report highlight areas of high performance and sections 4.9, 4.25 and 4.32 detail areas for improvement, where performance has not met expectation.

Priority Outcome 1: Creating opportunity by supporting aspiration and tackling poverty				
Performance against target	GREEN 1	AMBER 4	RED 11	N/A 1
Direction of travel (compared to same period last year)	IMPROVING 6	NO CHANGE 0	DETERIORATING 6	N/A 5
Priority Outcome 2: Creating and maintaining a vibrant, successful place				
Performance against target	GREEN 5	AMBER 0	RED 2	N/A 2
Direction of travel (compared to same period last year)	IMPROVING 6	NO CHANGE 1	DETERIORATING 0	N/A 2
Enabling Objective: A transformed Council, making best use of resources with an outward looking culture				
Performance against target	GREEN 2	AMBER 1	RED 2	N/A 0
Direction of travel (compared to same period last year)	IMPROVING 4	NO CHANGE 0	DETERIORATING 1	N/A 0

Table 1: Performance by Priority Outcome Area

3.8 Performance Measures are ranked as “Green” where the stretch target has been achieved, “Amber” where the minimum expectation target has been achieved, but the stretch target has not, and “Red”, where the minimum expectation target has not been achieved.

As can be seen from Table 1, 13 Strategic Measures are rated as Green or Amber against target, whilst 15 are rated as Red.

A further three measures are not suitable for RAG rating. In the case of the measure “Non-Elective Admissions”, the target for this measure has not yet been finalised and will be completed as part of Q2 reporting. In the case of the remaining two measures, “Households Living in Temporary Accommodation” and “Total Notifiable Offences”, the Council has made a decision not to set targets for these two indicators, and so a RAG assessment cannot be made.

Section 4 of this report highlights areas of achievement in Quarter 1, and provides analysis and explanation for all “Red” rated Strategic Measures where performance has deteriorated since last year, or the measures are new for 2017/18.

3.10 Proposed changes to reporting methodology

The Place and Health, Adults and Community Directorates have each proposed a change to the methodology for reporting one Strategic Measure for which they are responsible. The measures are;

- Smoking Quits
- Lets to overcrowded families

In the case of smoking quits, it is proposed that reporting moves from “the number of quits per 100,000 of population aged over 16”, to a simple count of number of quits achieved. This would mean that the stretch target for the year would change from 673 per 100,000 population to 1528 actual quits. It is felt that this change would make the measure easier for the public to understand. If applied to quarter 1 327 people were supported by the services which 134 per 100,000.

In the case of “Lets to overcrowded families”, it is proposed that the measure changes from a count of the number of lets to overcrowded families to reporting the proportion of the total number of lets in the period which were made to overcrowded families.

If applied to quarter 1 data, this would mean that rather than rather than reporting 303 lets against a stretch target of 226 lets, the measure would report that 59% of the total lets in the quarter were made to overcrowded families, against a proposed target of 50%. This target reflects performance over the past four years, where on average 49% of lets have been made to overcrowded households.

This change is proposed because the total number of lets varies from year to year (from 2,207 in 2015/16 to 1,604 in 2016/17), meaning that a numerical target could lead to a disproportionately large or small number of lets being made to overcrowded families as a proportion of all lets. By setting a percentage target, the Council can ensure that a sufficient proportion of lets is made to overcrowded families, whilst ensuring that lets are also made to other priority applicants such as wheelchair users and homeless applicants.

It is proposed that these changes to the reporting methodologies be introduced from Quarter 2 2017/18.

4. ANALYSIS BY PRIORITY AREA

- 4.1 The Council’s Strategic Plan sets out the priorities and outcomes that the Mayor and his administration have been elected to deliver. These are underpinned by the Council’s transformation programme, medium term financial strategy and drive to deliver better outcomes for local people.

- 4.2 Based on an understanding of the local community, their views and the opportunities and challenges facing the Borough the Council has identified three priorities for 2016 to 2019. These are:

Priority 1: Creating opportunity by supporting aspiration and tackling poverty

Priority 2: Creating and maintaining a vibrant, successful place

Priority 3: Working smarter together as one team with our partners and community

- 4.3 The Council has identified a wide range of strategic performance measures to measure its success in achieving the three priorities.

- 4.4 This section of the report provides analysis of how successful the Council was in delivering the performance it planned during Quarter 1 2017/18, providing analysis and commentary by priority area.

- 4.5 **Achievements in Quarter 1 2017/18: Priority 1 Creating opportunity by supporting aspiration and tackling poverty**

- 4.6 The Council is working hard to create opportunity for local residents and has been successful in supporting 123 businesses during the quarter, just two short of its stretch target of supporting 125.

The Council's Enterprise Team has been actively engaging and supporting start-up businesses with partner support organisations, and the Council's business desk assists businesses to access local markets through supply chain work and where appropriate supports them to locate suitable property to start or move to the borough. There is also now a new package of 'Business Ready' projects in New Start up, Retail marketing, Supply Chain and Growth which will assist more businesses to develop and grow, thus creating further local opportunity.

Local businesses have also been supported through the "Supply Tower Hamlets" programme. 66 businesses have had two hours support through 1:2:1 support and attending workshops, and a further 11 businesses have had 8 hours support and are proactively sending out proposals and selling their services to other private businesses and tendering to the public sector. This quarter 8 businesses have become fit to supply. This quarter has seen a greater demand generation for the project, through the workshops provided, clients referring businesses, the delivery of partner marketing to the local area and following the programme beginning to gain visibility.

Business support activities have commenced, and the first pilot project is due to be completed before the end of Q2. Social Streets was appointed to deliver Digital training for Market Traders and Retailers in Whitechapel. This pilot project covered Social Media, basic website development and apps, through a series of training sessions, networking events and mentoring. Through this pilot project, 40 businesses including traders were supported in the Whitechapel area alone. Mentoring sessions are still taking place and evaluation of this project will be completed by the end of Q2.

- 4.7 The Council was also successful in supporting 199 local people into employment during the quarter through the WorkPath Partnership. This is an increase of 93 residents that have been helped into employment compared to the same period last year. The WorkPath service has seen 27 more reported Job Starts for BME residents, 15 more reported for female residents, 18 more for BME female and 9 more Lone Parents compared to the same period in 2016/17.

The WorkPath Service works with key Council services and external partners including the Supporting Stronger Families, Job Centre Plus, Poplar HARCA, Housing Options, the Careers Service, Drug and Alcohol Team, Integrated Offender Management project (Probation service) and Ideas Stores to identify those residents who would benefit most from support, maximising engagement of women, disabled and BAME residents. WorkPath focuses on supporting economically inactive and long-term unemployed groups of residents (Residents furthest from the Labour Market, potentially with multiple barriers to employment), those that require extensive support over a longer period of time to get them job ready and into employment.

- 4.8 Performance also continues to exceed the Council's stretch target on the measure of the proportion of people aged 65 and older receiving long term support. 1186 people per 100,000 are currently receiving long term support, better than the Quarter 1 stretch target of 1305 per 100,000, and an improvement of 92 people per 100,000 on the year end 2016/17 figure of 1278. This performance has been supported by the Councils work to "develop an integrated health and social care system" (Strategic Activity 1.4.2), and to "increase the independence and resilience of our communities" (Strategic Activity 1.4.4)

4.9 **Areas for Improvement: Priority 1 Creating opportunity by supporting aspiration and tackling poverty**

- 4.10 As part of the monitoring of the Council's performance, analysis is undertaken to identify those measures that have not met their quarterly target.

- 4.11 Of the 15 Strategic Measures in the Strategic Plan relating to Priority 1 that are reportable in Quarter 1; 9 measures (60%) are below the minimum expectation and have either deteriorated since the corresponding quarter for the previous year, or else are new measures for 2017/18.

- 4.12 Further detail and analysis of these 9 Strategic Measures is provided below.

4.13 **Overall employment rate - gap between the Borough and London average rate (working age) (percentage points)**

According to the figures published by NOMIS the Tower Hamlets overall employment rate has decreased 4.1ppts since last quarter's reporting, whilst the London average has remained the same. The gap between Tower Hamlets and London has widened by 6ppts to 8.5ppts compared to last quarter. The TH employment rate is 65.3% whilst the London average rate is

73.8%. The total numbers in employment for TH is 147,400, which is a net decrease of 7,100 since last quarters reporting. The data for the employment rate is taken from the Annual Population Survey (APS). The APS is the largest regular household survey in the United Kingdom. It includes data from the Labour Force Survey (LFS), plus further sample boosts in England, Wales and Scotland. The survey includes data from a sample of around 256,000 people aged 16 and over.

As APS estimates are based on samples, they are subject to sampling variability. This means that if another sample for the same period were drawn, a different estimate might be produced. In general, the larger the number of people in a sample, the smaller the variation between estimates. Estimates for smaller areas such as local authorities are therefore less reliable than those for larger areas such as regions.

This provides survey based estimates, the methodology of which means that there may be significant variations in outturn from one quarter to the next. Furthermore, it is important to note that the confidence interval on the TH employment rate is 4.3% compared to 0.7% for London which means that the actual rate for TH could in fact be much higher.

The WorkPath service and wider WorkPath partnership continue to support residents into employment and has seen an 87% increase of 93 more jobs recorded compared to this time last year.

4.14 Number of adoptions and special guardianship orders for looked after children

Three adoptions and special guardianship orders have been granted for looked after children during Quarter 1, against a minimum expectation for the quarter of eight, and a stretch target of 10.

A number of cases are progressing through the court process currently and it is anticipated that around 15 adoptions will be completed this financial year. Special guardianship orders are harder to forecast as the system used to track these cases needs updating. There is a continuing focus on identifying appropriate permanency options for Looked After Children.

4.15 The percentage of looked after children in the same placement for two years or more

70% of looked after children had been in the same placement for two years or more at the end of Quarter 1, against a target of 88.2%. The Children's Social Care service are taking a number of steps to help support and improve placement stability:

1. The Child & Adolescent Mental Health Service in Social Care Team consultation rota 9am-5pm. The Child & Adolescent Mental Health Service in Social Care (CISC) team are a co-located and integrated team providing direct work and consultation on LAC cases that need additional support.

2. A placement stability forum meets monthly to discuss cases where social workers, carer support workers and managers reflect on practice to ensure the carer is supported to meet the needs of the child.
3. The cohort of children looked after for two years or more is available to managers through child-level data reports and utilised to enable Children's Social Care to prioritise, prevent disruption and track practice, be it during staff supervision, disruption meeting process or reflective forums.
4. Independent Reviewing Officer alerts have undergone increased quality assurance so that the child's experience of care is brought to the attention of social workers and managers to address in a timely way.

When reviewing this measure to address queries about the impact of Data Quality work on historic performance, a discrepancy was identified with the reporting being used for year-end performance. Re-calculating 2016/17 performance using a method consistent with current reporting shows performance was lower than reported at 71.6%.

4.16 The percentage of children's social care contacts completed within 24 hours

42.5% of children's social care contacts were completed within 24 hours during Quarter 1, against a minimum expectation of 90% and a stretch target of 95%. A review of processes in the MASH (Multi-Agency Safeguarding Team) post-Ofsted inspection identified that the way contacts were being processed and recorded had led to unreliable data. There has been a significant data cleansing exercise in April combined with changes in the way that contacts are processed and this resulted in a backlog of work being pushed through the system which has impacted on timeliness for Quarter 1. In May and June, in addition to staffing issues, and periodic IT problems, there was a significant increase in the number of contacts being received, from around 850 in April, to over 1200 in both May and June. This additional demand is higher than at any point in the last 12 months and is a constraint on immediate improvement on completion timescales. However, there is an increased focus by the 2 MASH managers to complete contact decisions within 24 hours and we will start to evidence a percentage increase as we go forward this year.

4.17 The percentage of children's social care assessments completed within 45 days

68.7% of children's social care assessments were completed within 45 days during Quarter 1, against a minimum expectation of 90% and a stretch target of 95%. Performance has declined in part due to improvements in practice in the Assessment and Intervention Team to ensure the assessment process is always child focused and in line with best practice. There has also been a pressure due to the backlog of assessments being pushed through the system as a result of the data cleansing exercise outlined in paragraph 4.16. For context, the number of assessments completed in July is double that of April, May or June, and these assessments will have been ongoing during

Quarter 1, adding to workloads in this period. At the same time the workforce within the MASH and Assessments and Intervention (A&I) Teams are 80% agency social workers. There continues to be a turnover of social workers within A&I some of which have been asked to leave due to poor performance and throughput of assessments. New team managers are now in post who will be monitoring assessment timescales to improve performance. In turn, the ongoing recruitment drive should result in a steady increase of permanent staff which will bring some stability to the workforce.

4.18 Percentage of children on a child protection order visited within the last 4 weeks

85% of children on a child protection order had been visited in the last 4 weeks during Quarter 1, against a minimum expectation of 90% and a stretch target of 95%. Timely recording of visits is continuing to impact on apparent performance i.e. visits have happened but have not been recorded quickly enough and some decisions to step down from Child Protection (CP) to Children in Need (CIN) status are not recorded on the system quickly enough, therefore cases appear to require visits that they do not in fact need. These recording delays are in part linked to increasing complex cases loads and high staff turnover impacting on performance – issues around pay, recruitment and retention. Currently Family Support & Protection teams range between 20 - 90% agency staff, with four of the five being at 50% or above. Additionally, as a result of the renewed focus on quality and compliance, thresholds around what constitutes a successful visit (eg child seen alone) have been reviewed and this will have a short term impact on performance.

Action is being taken to improve: All managers are using available child-level reports and performance meetings to understand child level data and highlight specific issues e.g. performance of particular social workers; the Family Support and Protection Service Manager is having one-to-ones with managers to look at the data; the Service Manager is addressing in supervision and asking Team Managers to set out planned admin time for social workers; one Team Manager is leading on recruiting agency Social Workers to reduce duplication; individual deadlines are being set for Social Workers; the Service Manager is having weekly meetings with Team Managers group to address performance.

4.19 Percentage of child protection reviews completed in time

79.3% of child protection reviews were completed in time during Quarter 1, against a minimum expectation of 95% and a stretch target of 98%. The Child Protection and Reviewing Service (CPRS) have been down by one CIN Independent Reviewing Officer, for the past 6 weeks due to staff member taking over another role at short notice. There have been delays in recruiting temporary replacement.

CPRS expect that once fully staffed performance against this measure will increase. Also, changes to the recording process in FWi are being made which should support timely recording.

4.20 Employment gap for women: reducing the gap between the Borough employment rate and employment rate for women

According to the figures published by NOMIS the Tower Hamlets women's employment rate has decreased 6.9ppts since last quarter's reporting, whilst the London average has increased by 0.4ppts. The gap between TH and London has widened by 6.9ppts to 13.1ppts compared to last quarter. The TH employment rate female is 54.3% whilst the London average rate is 67.4%. The total numbers of female residents in employment for TH is 58,200, which is a net decrease of 5,200 since last quarters reporting.

As explained in paragraph 4.13, the data for the employment rate is taken from the Annual Population Survey (APS). It is important to note that the confidence interval on the TH women's employment rate is 6.4% compared to 1.0% for London which means that the actual rate for TH could in fact be much higher.

The WorkPath service and wider WorkPath partnership continue to support residents into employment and has seen an 87% increase of 93 more jobs recorded compared to this time last year. 67 out of the 156 (42.9%) Job Starts recorded by the WorkPath service were for female residents, 50 of which delivered employment of more than 16 hours per week. 60 of the 67 (91%) job starts were for BME females which is 39% of the overall job starts (156) recorded by the WorkPath service. 203 of the 420 (48.3%) residents engaging with the WorkPath service in Q1 were female, 178 of the 203 were BME female.

Funding has been secured to extend the Women in Health programme; staff resources will shortly be finalised, training packages are being developed and placement opportunities secured. Additional funding is also being sought to continue the pre-employment function within the WorkPath service (specifically Teaching Assistant and Mid Meal Training) which have historically gained majority interest from female resident especially mother looking to return/re-enter employment.

4.21 Employment gap for BME residents: reducing the gap between the Borough employment rate and employment rate for BME residents

According to the figures published by NOMIS the Tower Hamlets BME employment rate has decreased 3.4ppts since last quarter's reporting, whilst the London average has also decreased but only by 0.5ppts. The Gap between TH and London has widened by 2.9ppts to 13.2ppts compared to last quarter. The TH employment rate BME is 52.7% whilst the London average rate is 65.9%. The total number of BME people in employment for TH is 63,800, which is a net decrease of 2,300 since last quarters reporting.

As explained in paragraph 4.13, the data for the employment rate is taken from the Annual Population Survey (APS). It is important to note that the confidence interval on the TH BME employment rate is 9.7% compared to

1.9% for London which means that the actual rate for TH could in fact be much higher.

The WorkPath service and wider WorkPath partnership continue to support residents into employment and has seen an 87% increase of 93 more jobs recorded compared to this time last year. 133 (85.3%) of the 156 Job Starts recorded by the WorkPath service were for BME residents, 150 of which delivered employment in excess of 16 hours per week. 361 (86%) of the 420 residents engaging with WorkPath were from the BME community. The Council is currently in the process of procuring a provider to specifically target Somali Graduates and support them in finding and securing graduate opportunities.

4.22 Achievements in Quarter 1 2017/18: Priority 2 Creating and maintaining a vibrant, successful place

- 4.23 The Council was successful in exceeding its stretch target for the percentage of household waste sent for reuse, recycling and composting. The overall recycling rate at year end was 27.6% which was a percentage point increase on the previous year's performance, and 0.6ppts ahead of the stretch target of 27%.

Waste services are currently working together with the corporate communications team on a borough-wide waste minimization campaign. The main purpose of this campaign is to reduce waste generated in households by encouraging residents to reuse their items and making compost schemes more accessible to them among other activities. This will also have a further effect on our recycling rates and more waste will be diverted from landfill.

There has been investment in the public recycling sites across the borough. This has made the sites look tidier and there is improved information at each site regarding what items to recycle, making this clearer for residents. The Council is also introducing centralised recycling sites on estates in collaboration with Registered Providers. The expectation is that these measures together will help to increase the total amount of recycling collected as well as reducing contamination levels.

The Council has also signed up to a three year London-wide project to improve communications related to food waste recycling.

- 4.24 The Council has also been successful in exceeding its stretch targets in Quarter 1 for delivering affordable housing for local people, and rehousing overcrowded families to larger and more suitable housing.

53 Wheelchair accessible affordable homes were delivered in the quarter, against a stretch target of 28, and 91 new social/affordable rented family homes were delivered, exceeding the stretch target of 82 homes, and more than doubling performance on the same time last year, when 44 homes were delivered.

59% of lets during the quarter were to overcrowded families who were rehoused in larger and more suitable accommodation. This represents 303 families who were rehoused to more suitable accommodation during the quarter, a significant increase on the 173 overcrowded families rehoused during the same period last year.

In addition to the health and educational benefits of reducing overcrowding in homes, the high number of lets to overcrowded applicants also has a positive impact on preventing homelessness because many applicants that do approach the Council as homeless are often from accommodation that are overcrowded.

4.25 Areas for improvement: Priority 2 Creating and maintaining a vibrant, successful place

4.26 As part of the monitoring of the Council's performance, analysis is undertaken to identify those measures that have not met their quarterly target.

4.27 Of the 9 Strategic Measures in the Corporate Plan relating to Priority 2 that are reportable in Quarter 1; one measure (11%) is below the minimum expectation and is a new measure for 2017/18.

4.28 Further detail and analysis of this Strategic Measure is provided below.

4.29 The proportion of households who considered themselves as homeless, who approached the local authority's housing advice service(s), and for whom housing advice casework intervention resolved their situation

Homelessness was prevented in a total of 125 cases, of which 67 were provided discretionary supported hostel accommodation for single homeless people. 17.4% of new approaches to the Service of households homeless or threatened with homelessness were prevented from becoming homeless, which is below the minimum expectation of 19%. The two services that contribute to this measure are the housing options and preventions families and singles teams and the housing advice team, who through casework intervention resolve a household's homelessness situation, recording a homeless prevention as an outcome.

A decrease in the number of households approaching the families' team for homeless assistance has been a contributing factor for the below target performance in Q1. It is believed that this decrease may be due to concerns amongst families about the prospect of being placed in temporary accommodation outside of Tower Hamlets. The number of approaches to the Housing Advice team has however remained steady and the actual number of overall preventions has increased 6% on Q4 of 2016/17.

Where possible, we continue to negotiate with Housing Benefit to resolve arrears problems. The preventing intentional homelessness pilot with Poplar HARCA has contributed to the increase in the number of tenants assisted to remain in their social tenancies thus preventing homelessness and this pilot

will be rolled out to all Registered Providers (RPs) over the next six months with the appointment of a dedicated Prevention Liaison Officer. Negotiating and providing legal advice to both tenants and landlords for the tenants to remain in the private rented sector has increased; whilst a landlord may wish to repossess a property to take advantage of the inflated private rental market, the Housing Advice service successfully negotiate for an alternative property to be offered to the tenant threatened with homelessness.

The number of negotiations or legal advocacy to remain in the private rented sector has increased since Q4, (+25%). This is despite evidence that private landlords are increasingly reluctant to let to benefit-dependent tenants and those on low to medium incomes because:

- Market rents are far above the LHA in Tower Hamlets, which has been frozen for the last four years.
 - The reduction in the benefit cap to £23,000 in London from November 2016
 - Research by Sheffield Hallam University found that only 20% of landlords indicated a willingness to let to Housing Benefit claimants due to concerns about the gap between Local Housing Allowance (LHA) rates and market level rents, uncertainty around the roll out and implications of Universal Credit (UC) and the payment of HB 6 weeks in arrears under UC
- Despite this, the Options Service and Housing Strategy are nurturing good landlords and developing good working relations.

In addition, the commissioned supported hostel provision has reduced leaving fewer options available for prevention. For example, the revised hostel commissioning plan will result in fewer places and there is an increase in the use of beds for emergencies and assessments prior to move, neither of which can be counted as preventions.

4.30 Achievements in Quarter 1 2017/18: Priority 3 Working smarter together as one team with our partners and community

4.31 The Council has been successful in exceeding its targets for the percentage of council tax and percentage of non-domestic rates it has collected during the first quarter. Collection of council tax is at 26.42%, exceeding the stretch target for the quarter of 25.25%, and collection of non-domestic rates stood at 30.29%, ahead of the stretch target of 25%.

4.32 Areas for Improvement: Priority 3 Working smarter together as one team with our partners and community

4.33 As part of the monitoring of the Council's performance, analysis is undertaken to identify those measures that have not met their quarterly target.

4.34 Of the 5 Strategic Measures in the Corporate Plan relating to Priority 3 that are reportable in Quarter 1; one measure (20%) is below the minimum expectation and has deteriorated since the same period last year.

4.35 Further detail and analysis of this Strategic Measure is provided below.

4.36 **Number of working days/shifts lost to sickness absence per employee**

Sickness performance at the end of the first quarter 17/18 is 9.72 days. This represents a reduction of 0.57 days against the 10.29 days reported at the end of Q4 of 16/17. This figure is 0.72 days above the 9 day minimum expectation, and 1.62 days above the 8.1 day stretch target. These targets are based on the 2nd Quartile performance figure across all London Boroughs.

HR Business Partners continue to support managers in terms of managing sickness cases and attend SMT and DMT's on a regular basis to update on sickness performance generally and discuss strategies for reducing absence. Additionally sickness performance is regularly reported to the Corporate Director for Resources. Performance Improvement Board (PIB) have held two meetings with Divisional Directors in Place and Adults Social Care. PIB will be inviting other Divisional Directors on a rota basis, to discuss underlying reasons for sickness in their areas and to explore whether any additional measures can be considered which would impact to reduce sickness absence, and agree realistic target reductions in their absence levels.

There is a recognition that the measures in place currently are not sufficiently achieving the outcomes expected i.e. sustained reduction in sickness absence, and that a different approach may yield better results. Consequently, sickness management has been selected as a pilot area for review using Outcomes Based Accountability methodology and this work is presently underway. Alongside this, a review of the Council's sickness management procedure is ongoing along with the development of a refreshed Employee Wellbeing strategy and plan.

5. COMMENTS OF THE CHIEF FINANCE OFFICER

- 5.1 This report highlights progress in delivering the Council's strategic plan activities during Q1 of 2017/18. The cost of the activities has been funded through the Council's General Fund Revenue and Capital budgets, agreed by full Council on the 22nd February 2017. There are no additional financial implications arising from the recommendations within this report.

6. LEGAL COMMENTS

- 6.1 The report provides performance information. It is consistent with good administration for the Council to consider monitoring information in relation to plans that it has adopted in order to achieve best value.
- 6.2 When considering its performance, 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). The Council's targets are formulated by reference to its public sector equality duty and monitoring performance against those targets should help to ensure they are delivered.

7. ONE TOWER HAMLETS CONSIDERATIONS

- 7.1 The Council's Strategic Plan and Strategic Measures are focused upon meeting the needs of the diverse communities living in Tower Hamlets and supporting delivery of One Tower Hamlets. In particular, strategic priorities include the reduction of inequalities and the fostering of community cohesion. The Strategic Measure set contains the measures "Proportion of people with mental health problems in employment"; "Employment gap for women: reducing the gap between the Borough employment rate and employment rate for women"; and "Employment gap for BME residents: reducing the gap between the Borough employment rate and employment rate for BME residents"
- 7.2 Data for Quarter 1 2017/18 shows that 5.8% of those aged 18-69 years old with an open CPA (care pathway approach) were in employment, just below the Council's stretch target of 5.9% of people with mental health problems in employment. On the measures of the employment gap for women and BME residents, performance did not meet the Council's minimum expectation for the quarter, however the Council's WorkPath service and wider WorkPath partnership continue to support residents into employment and has seen an 87% increase of 93 more jobs recorded compared to this time last year. 133 (85.3%) of the 156 Job Starts recorded by the WorkPath service were for BME residents, 150 of which delivered employment in excess of 16 hours per week. 361 (86%) of the 420 residents engaging with WorkPath were from the BME community. 67 out of the 156 (42.9%) Job Starts recorded by the WorkPath service were for female residents, 50 of which delivered employment of more than 16 hours per week.

8. BEST VALUE (BV) IMPLICATIONS

- 8.1 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.

9. SUSTAINABLE ACTION FOR A GREENER ENVIRONMENT

- 9.1 The Strategic Plan contains a number of environmental milestones within Priority Outcome 2 "Creating and maintaining a vibrant, successful place". The Strategic Measure set contains the measures "Percentage of household waste sent for reuse, recycling and composting"; "Level of street and environmental cleanliness – litter"; "Level of street and environmental cleanliness – detritus"; "Level of street and environmental cleanliness – graffiti"; and "Level of street and environmental cleanliness – fly posting". Latest available data (end of year 2016/17) shows that the Council met its stretch targets on the measures of recycling, litter, graffiti and fly-posting. Further performance data regarding these measures will be reported at the end of Quarter 2 2017/18.

10. RISK MANAGEMENT IMPLICATIONS

- 10.1 In line with the Council's risk management strategy, the information contained within the Strategic Indicator Monitoring will assist the Cabinet, Corporate Directors and relevant service managers in delivering the ambitious targets set out in the Strategic Plan. Regular monitoring reports will enable Members and Corporate Directors to keep progress under regular review.

11. CRIME AND DISORDER REDUCTION IMPLICATIONS

- 11.1 The Strategic Plan contains a number of crime and disorder items under Priority Outcome 2 "Creating and maintaining a vibrant, successful place". The Strategic Measure set contains the measure "Total Notifiable Offences" (TNOs). Data for the period April to June 2017 shows that there were 8,316 TNOs during Quarter 1. TNOs are all offences under United Kingdom law where the police must inform the Home Office by completing a crime report form for statistical purposes.
- 11.2 Whilst the responsibility to tackle and reduce crime lies with the Metropolitan Police Service, the Council has for a considerable amount of time been supplementing the local Police in the borough, by funding an additional number of Police officers to address key crime and disorder priorities (Drugs, ASB and Prostitution) for the Council and in turn residents.
- 11.3 The Council continues to fund a team of 5 PC's and 1 Police Sergeant, known as the Partnership Task Force, to tackle key crime and ASB hotspots within the Borough. On 19 July 2017, Mayor John Biggs also announced funding for a further fourteen new police officers to tackle crime and anti-social behaviour on council estates. The officers will be joining Tower Hamlets Homes staff in a ground-breaking joint anti-social behaviour team – the first of its kind in the Borough.

12. SAFEGUARDING IMPLICATIONS

- 12.1 The Strategic Plan contain a number of items relating to safeguarding adults and children falling under Priority 1: "Creating opportunity by supporting aspiration and tackling poverty". The Strategic Measure set contains the measures "Percentage of children's social care contacts completed within 24 hours"; "Percentage of children's social care assessments completed within 45 days"; "Percentage of children on a child protection order visited within the last 4 weeks"; and "Percentage of child protection reviews completed in time". Performance against these measures is currently below the Council's minimum expectation.
- 12.2 As outlined in paragraph 3.3 and 3.4, the Council has developed an Improvement Plan for Children's Services which was submitted to the Secretary State for Education in July 2017 and established a Children's Services Improvement Board which will deliver the strategic oversight and

challenge required to ensure that appropriate, timely change and impact is being delivered according to the Improvement Plan.

- 12.3 Against the Strategic Measure “Proportion of people over 65 receiving long term support, per 10,000 population”, performance is currently better than the Council’s stretch target, with 1186 per 10,000 people over 65 receiving support, against a stretch target of 1305.
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Linked Reports, Appendices and Background Documents

Linked Report

- NONE

Appendices

- Appendix 1 – provides detailed analysis of the Council’s performance against its strategic measures during quarter one

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

- NONE

Officer contact details for documents:

Sharon Godman, Divisional Director Strategy, Policy and Partnership

<p>Cabinet</p> <p>19 September 2017</p>	
<p>Report of: Zena Cooke (Corporate Director of Resources)</p>	<p>Classification: Unrestricted</p>
<p>Medium Term Financial Strategy 2018 – 2021</p>	

Lead Member	Councillor David Edgar, Cabinet Member for Resources
Originating Officer(s)	Neville Murton (Divisional Director, Finance and Procurement)
Wards affected	All
Key Decision?	No
Community Plan Theme	All

Executive Summary

In February 2017 the Council agreed its budget for 2017/18 and set out a Medium Term Financial Strategy (MTFS) covering the period to 2020. Savings of £52m were identified and approved to be delivered over the MTFS period thereby setting a balanced budget for 3 years with a requirement of £2.8m from general fund reserves. The Council’s Capital programme was also reviewed and updated taking into account the current programme and decisions made during the year and new schemes added on and extended to 2021/22.

In 2016/17, the Council adopted an Outcomes Based Budgeting approach to revenue budget setting thereby putting the Council’s Strategic Priorities and outcomes for its residents at the heart of financial planning and decision making. This aims to directly link how resources are allocated to the strategic priorities of the Council. An outcomes based approach considers the efficiency and effectiveness of the Council’s services by evaluating comparable information such as financial benchmarking and outcome performance measures. This information provides the starting point for critically reviewing the Council’s relative performance and provides the basis and evidence for its budget decisions.

Furthermore, the Council published a revised Capital Strategy marking a fundamental review of the Council’s capital priorities that will begin to reshape the capital programme and decision making going forward, focusing on an outcomes based approach and aligning it more explicitly to the Council’s strategic priorities . Further work has been undertaken in 2017 to review the current programme, its links to other key strategies such as the Housing Strategy, ICT Strategy, Leisure Strategy, Asset Management Strategy and Parks and Open Spaces Strategy and the capital investment needs arising from them and consider Members’ capital aspirations over the longer term to refresh the capital programme and develop a funding strategy that

supports the implementation of that vision.

Since that time the Council has

- Set up the Corporate programme office to deliver the 3 year approved savings programme of £52m;
- Held 2 initial workshops in June and July to review the current capital programme and align it to strategic priorities adopting the Outcomes based budgeting approach
- Children Services directorate has undergone an OFSTED inspection and an Ofsted improvement plan is being devised to address the recommendations arising from the inspection

In addition to this, announcements in the Chancellor's spring budget on 8th March 2017 and the Queen's speech on 21st June 2017 included a commitment to publish a green paper this year on the future of Social Care Funding, new business rates reliefs for small business, those adversely affected by business rate revaluations and public houses, which should be cost neutral for local authorities. The government also announced an efficiency review to deliver £3.5 billion savings in 2019/20, but in light of the multi-year funding settlement the impact on local government is expected to be minimal.

Given the previously agreed multi-year settlement there are unlikely to be any fundamental changes to Government grant which means that the Council does not envisage making any significant changes to the current Medium Term Financial Strategy, subject to any minor changes that may be announced in the provisional finance settlement during expected in November/December this year and the final settlement due in February 2017.

This report updates the Cabinet on the progress to date since the MTFS was agreed in February 2017, key announcements since then and sets out the next steps in updating the MTFS and agreeing a final budget for 2018/19. This is aimed at consulting on and agreeing a balanced budget position across the MTFS period, extended to 2020/21, as part of its annual budget setting process which will conclude in February 2018. As in previous years this will also include proposals relating to the Council's Housing Revenue Account (HRA) including rent setting considerations and the Dedicated Schools Budget (DSB) strategy.

Recommendations:

The Mayor in Cabinet is recommended to:

1. Note the Council's Outcomes Based Budgeting approach to prioritising resources over the Medium Term Financial Strategy from 2018-19 to 2020-21.
2. Note the issues and actions set out in this report which are informing the development of the Council's MTFS for 2018 – 2021;
3. Note the timescales and next steps for reviewing and consulting on budget proposals;
4. Authorise the Corporate Director Resources after consultation with the

Mayor and Lead Member for Resources, to confirm to London Councils the in principle decision to proceed with participation in the London wide pilot for 100% business rates retention.

1. REASONS FOR THE DECISIONS

- 1.1. The Council is under a duty to set a balanced and sustainable budget and maintain adequate reserves such that it can deliver its statutory responsibilities and priorities.
- 1.2. A Medium Term Financial Strategy (MTFS) covering the entirety of the resources available to the Council is considered to be the best way that resource prioritisation and allocation decisions can be considered and agreed in a way that provides a stable and considered approach to service delivery and takes into account relevant risks and uncertainty.

2. ALTERNATIVE OPTIONS

- 2.1. Whilst the Council will adopt a number of approaches to the identification of measures aimed at delivering its MTFS there is no alternative other than to set a legal and balanced budget and agree its Council Tax before the statutory deadline.
- 2.2. The Council could return to the approach of agreeing proposals on an annual basis but this does not support a strategic approach which allows for proposals to be managed and implemented over a longer period of time leading to evidenced based policy decisions and better overall outcomes.

3. DETAILS OF REPORT

3.1. Background

- 3.1.1. The medium term financial planning process is an essential part of the Council's resource allocation and strategic service planning framework. The Medium Term Financial Strategy (MTFS) integrates strategic and financial planning over a three year period. It translates the Strategic Plan priorities into a financial framework that enables the Mayor and officers to ensure policy initiatives can be delivered within available resources, and can be aligned to priority outcomes.
- 3.1.2. The drivers for the Council's financial strategy are:
 - To set a balanced budget over the life of the MTFS whilst protecting residents from Council Tax increases as far as possible.
 - To fund priorities agreed within the Strategic Plan, ensuring that service and financial planning delivers these priorities.
 - To deliver a programme of planned reviews and savings initiatives designed to keep reductions to service outcomes for residents to a minimum.

- To maintain and strengthen the Council’s financial position so that it has sufficient reserves and balances to address any future risks and unforeseen events without jeopardising key services and delivery of service outcomes for residents.
 - Ensuring the Council maximises the impact of its spend to deliver priority outcomes.
- 3.1.3. Since 2011/12 in the face of unprecedented reductions in Government funding and increasing demand on services, the need to make savings has dominated the Council’s financial planning process.
- 3.1.4. In February 2017 the Council agreed a balanced budget for 2017-18 and a Medium Term Financial Plan (MTFP) to 2019/20 identifying savings of £52m to be delivered over the medium term period and a requirement to use £2.8m of general fund reserves.
- 3.1.5. This report begins to explore the challenges facing the Council in the context of a number of fundamental changes to the financial environment in which Local Authorities operate. In particular it outlines a process that will deliver a balanced budget position over the course of the MTFS period; and gives a commitment to report a more granular analysis by the December Cabinet meeting.

3.2. Strategic Approach

- 3.2.1. The Council has a well-embedded approach to strategic and resource planning. Key priorities are agreed with residents and partners and these are reflected in a set of strategic objectives in the Council’s three year Strategic Plan and these underpin the Medium Term Financial Strategy.
- 3.2.2. The Strategic Plan focuses on two priority outcomes and an enabling objective. These are:

Priority 1 - To create opportunity by supporting aspiration and tackling poverty.

Priority 2 - To create and maintain a vibrant and successful place.

The Council aims to deliver its two key priority outcomes by designing and delivering services that meet the following objectives:

- 1.1 A dynamic local economy, with high levels of growth benefiting us.
- 1.2 More residents in good-quality, well-paid jobs.
- 1.3 Young people realising their potential.
- 1.4 More people living healthily and independently for longer.
- 1.5 Reducing inequality and embracing diversity.
- 2.1 An improved local environment.
- 2.2 Better quality homes for all.
- 2.3 Less crime and anti-social behaviour.
- 2.4 Engaged, resilient and cohesive communities.

These two key priority areas are supported by a third **enabling objective** which focusses on “Working smarter together as one team with our partners and community” to ensure we;

- 3.1 Make best use of Council Resources
- 3.2 Support an organisational culture based on transparency, trust and effective relationships
- 3.3 Deliver an organisational transformation programme
- 3.4 Develop an effective workforce strategy
- 3.5 Nurture an outward looking culture, by asserting our place and relationships in London
- 3.6 Deliver an effective communication plan

3.3. Outcome Based Budgeting

3.3.1. Outcome Based Budgeting (OBB) aims to directly link how resources are allocated by having our budget mapped to the strategic priorities of the Council. The Council’s Medium Term Financial Strategy (MTFS) 2017-2020 reflects OBB principles, delivering the Council’s priority outcomes as set out in the Strategic Plan, while making savings through planned budget reductions rather than cutting costs on a service by service basis.

3.3.2. Star Chamber and budget style meetings are planned for September to November which will;

- Review and challenge the Current Capital programme which needs to be a priority of this year’s planning process; agree governance arrangements, capital resources prioritisation, funding and new programmes for inclusion in the capital programme;
- Review the current MTFS savings and growth proposals, mayoral priority items;
- Extend the MTFP to 2020/21; identifying the gap arising from recent funding announcements and options;
- Consider the impact of the Fair Funding Review, which is likely to be further in the future than previously anticipated;
- and the potential pan London Pilot for 100% Business Rates retention due to be implemented in 2018/19.

3.4. Future Outlook for the Council’s Finances

Government Funding

3.4.1. The current guaranteed funding settlement to 2020 indicates a reduced amount for the Revenue Support Grant (RSG) meaning the Council will need to generate income or deliver more savings to fund service needs going forward. This has not fundamentally changed although there may be some minor changes in the settlement for 2018/19.

Business Rates

- 3.4.2. In the December 2016 Cabinet report members received details of the impact of the business rate revaluation process which has resulted in the Council moving from being a top-up authority to a tariff authority; one of only two authorities in London to have done so.
- 3.4.3. There still remains a risk of the impact of revaluation on the business rates multiplier and appeals by business rates payers.
- 3.4.4. The government's policy intentions with regards to 100% retention of business rates remain unclear following the general election in June. Draft proposals regarding an expanded London business rates retention pilot via a pan-London pool has been issued by London Councils in July 2017 for each of the 34 prospective pooling authority's consideration.

London Business Rates Pilot pool 2018/19

- 3.4.5. In April 2017, the government established pilots in 6 areas of the country including London where the Greater London Authority's (GLA) level of retained business rates increased from 20% to 37%.; replacing Transport for London (TfL) grants and RSG. An expanded London pilot in 2018-19 would require all 33 London Boroughs and the Mayor of London to agree to pool income from business rates.
- 3.4.6. This arrangement will mean no authority participating in the pool would be worse off than they would otherwise be under the 50% scheme and all members would receive some share of any net financial benefits arising from the pool pilot.
- 3.4.7. This would deliver early retention of 100% growth across London; savings from the scrapping of levy on growth; and potentially transfer of Central list properties such as water companies, Network Rail stations and the London Underground Network to London increasing the pool's capacity to benefit from growth and possibly trialling greater flexibility over some mandatory reliefs. There could also be broader strategic benefits to developing some governance arrangements resulting in the ability to influence the DCLG and HM Treasury departments of central government.
- 3.4.8. The development of the government's 100% business rate retention scheme will potentially have wide ranging impacts on other funding sources as the assumption is that a number of existing funding streams will be subsumed into this new source of funding.
- 3.4.9. How such a pilot would operate including how any additional benefits would be shared are being developed and will be consulted on in due course. However, based on current proposals, participating in the pilot would mean that the Council is no worse off than the current levels of business rates income built into the MTFs. On balance Council is more likely to benefit from increased amounts it can retain through the stopping of the levy payment and a share of any overall growth going forward.
- 3.4.10. A 2018/19 pilot would require agreement with the government at or around the autumn Budget, most likely November. This in turn requires all London Councils to agree in principle by the 10th October 2017 whether they wish to proceed with participation in the pilot.

- 3.4.11. The Corporate Director Resources considers on balance that it makes sense for the Council to participate in the pilot and this report includes a recommendation that Cabinet authorises the Corporate Director Resources, after consultation with the Mayor and Lead Member for Resources, to make the necessary “in principle” decision to proceed on that basis. Participation in the pilot does not bind an authority to operate under a pooled arrangement should the government proceed with countrywide proposals for a 100% retention scheme at some future date.
- 3.4.12. Final details of the pooling agreement would be negotiated with the DCLG to be published in February 2018 to commence in April 2018.

Council Tax

- 3.4.13. In addition to the increasing importance of Business Rates, Council Tax will continue to be an important source of revenue. As part of the provisional settlement in 2017, the government announced changes to the Adult Social care precept. Local authorities could increase the ASC precept by up to 3% per annum in 2017/18 and 2018/19. However, authorities are only permitted to go ahead with a maximum of 3% increase each year provided that the total increase over the three-year period to 2020 does not exceed 6%.
- 3.4.14. However, in the context of the need for savings being front loaded and the significant cost pressures being seen in ASC services, the Council considered it appropriate to phase the remaining maximum 6% rise in the ASC precept over the period to 2020 on the basis of increases of 3%, 2%, and 1%. This was agreed in principle and there appears to be no financial reason to vary this.
- 3.4.15. A further general increase of 1.99% was applied in 2017-18 for inflation; no increases from 2018-19 onwards are currently planned but it is anticipated the council tax base could rise by up to 3%. This will need to be reviewed and the MTFS updated accordingly.

Improved Better Care Fund

- 3.4.16. The initial tranche of Improved Better Care Fund was allocated as part of the government’s 2015 Spending Review, as follows £1.6m; £7.7m & £12.8m for 2017/18; 2018/19 and 2019/20 respectively.
- 3.4.17. In the Chancellor’s spring budget, another tranche of one-off IBCF funding was announced as follows for 3 years: £7m; £4.2m & 2.1m for 2017/18; 2018/19 and 2019/20 respectively.
- 3.4.18. New schemes are being identified by the service to utilise in the current year as well as investment in adult social care sustainability.

Fair Funding Review

- 3.4.19. Following the general election, the government confirmed its continued commitment to the Fair Funding Review as an important way to address concerns about fairness of current funding distributions to local authorities.

- 3.4.20. The Fair Funding Review will:
- Set new baseline funding allocations for local authorities
 - deliver an up-to-date assessment of the relative needs of local authorities
 - examine the relative resources of local authorities
 - focus initially on the services currently funded through the local government finance settlement; and
 - be developed through close collaboration with local government to seek views on the right approach.

Ofsted Improvement Plan

- 3.4.21. Ofsted Improvement Plan - Following the outcome of the Ofsted Report published in April 2017, Children's Services have recently submitted their Ofsted Improvement plan; initial costings are estimated at £5.1m over two years and will be funded from the Councils Risk Reserve. The outcome of the Ofsted report will also result in additional short term pressures in staffing and placements.

3.5. Capital Strategy and Programme 2017/18 onwards

- 3.5.1. The capital strategy published in February 2017 marks a fundamental review of the council's capital priorities which will reshape the capital programme and decision making
- 3.5.2. Initial capital workshops have been held in June and July to review the current capital programme; aligning current planned spend to strategic priorities; identifying future capital ambitions and to discuss prioritisation of capital schemes.
- 3.5.3. The council currently holds significant balances in S106 funding and CIL with future projected income over the MTFs period. These resources will need to be considered fully alongside all other funding sources for the Council's Capital Strategy to ensure that outcomes for residents and businesses are maximised
- 3.5.4. Next steps will include a review of the governance arrangements, prioritisation of capital schemes , long term capital ambition and aligning priorities to key strategies

3.6. Savings Programme

- 3.6.1. The Council approved a 3 year savings programme to 2019-20 as part of addressing the £58m funding gap. The delivery of the savings is currently underway with full equalities impact analyses being undertaken in all areas to ensure public consultations in advance of any changes.
- 3.6.2. Star Chamber sessions have been set up through September to review the progress of savings for 2017/18. A savings tracker identifies the

progress being made, any challenges services are facing in delivering the savings and any mitigating actions where savings are not being achieved.

3.7. Refresh of the MTFP to 2020/21

- 3.7.1. Growth and inflation requirements for 2017/18 to 2019/20 will be reviewed to establish service growth requirements. Additional growth will mean the need to identify more savings in the relevant year or funding from reserves.
- 3.7.2. Assumptions for Council Tax base growth is 3%; there will need to be some consideration on amounts to be raised for supporting increased pressures in adult social care.
- 3.7.3. Business rates will be reviewed in light of the deficit balance on the Collection Fund brought forward from 2016/17.

3.8. Next Steps

- 3.8.1. A further report will be brought to the December Cabinet which will provide a detailed update of the financial planning assumptions underpinning the current MTFS. The outcome of this will be a confirmation of the estimated funding gap over the period to 2021.
- 3.8.2. In the December Cabinet report, Members will be presented with updated information relating to our assumptions for Council tax and Business Rates and any impact those changes have on the MTFS.
- 3.8.3. The report will also bring forward a number of draft savings and investment proposals, covering in full the medium term planning period to 2021 alongside a strategy that fully meets the identified funding gap and with the intention of initiating formal consultation.

3.9. Budget Star Chamber and Scrutiny

- 3.9.1. The draft timetable for the budget setting process is as follows:

Activity	
Capital Strategy and long term capital programme; MTFS savings and growth, impact of London wide business rates pilot and fair funding review; investment strategy discussions.	September – November 2017
London Wide Business Rates Pilot/ Fair Funding Review	31 st October 2017 Cabinet
Review of Capital Strategy And Long term capital programme and Governance arrangements	28 th November 2017 Cabinet

Consultation with Business rates payers	
Review of the Existing MTFP in light of the settlement; Capital Strategy & programme (OBB) and additional One year 2020/21 identification of potential gap and options to close the gap	19 th December 2017 Cabinet
First Full Council meeting to Consider Budget and Council Tax 2018/19	21st February 2018 Full Council
Agree Final budget and setting of the Council Tax	1 st March 2018 Full Council

Budget Scrutiny Process 2018/21

- 3.9.2. The Overview and Scrutiny Committee (OSC) is developing its capacity to meet the challenge of providing effective budget scrutiny, especially as a three year budget is now in place. The following sets out the role of overview and scrutiny in the budget preparation process. Some of these reflect the formal constitutional arrangements and others propose additional activity to strengthen the role of OSC in the development of the rolling three year budget.
- 3.9.3. In addition to the scrutiny of relevant revenue savings and investment proposals the Committee will undertake similar scrutiny of capital programme proposals. They will also have an overview of the Medium Term Financial proposals being considered for approval by the Board of Tower Hamlets Homes (THH), including proposals for rent setting, and also the budget strategy for the Dedicated Schools Budget (DSB) which will be proposed for approval by the Cabinet, from the Schools Forum.

Activity	Date	Outcome
London Wide Business Rates Pilot/ Fair Funding Review	25th October 2017	London Wide Business Rates Pilot/ Fair Funding Review
Budget and Policy Framework – Budget Scrutiny meeting	15th & 24th January 2018 5th February 2018 (if there are any changes to budget following Cabinet on 30th Jan)	Review final Cabinet budget proposals and provide comments for consideration by Cabinet and Full Council.

4. COMMENTS OF THE CHIEF FINANCE OFFICER

- 4.1. All financial issues have been fully considered within this report and there are no additional points to make.

5. LEGAL COMMENTS

- 5.1. The report proposes consideration of a revised medium term financial plan. This is a matter that informs the budget process and may be viewed as a related function. It is, in any event, consistent with sound financial management and the Council's obligation under section 151 of the Local Government Act 1972 for the Council to adopt and monitor a medium term financial plan.
- 5.2. The report provides information about risks associated with the medium term financial plan and the budget. This is, again, consistent with the Council's obligation under section 151 of the Local Government Act 1972 to make proper arrangements for the management of its financial affairs. It is also consistent with the Council's obligation under the Accounts and Audit Regulations 2015 to have a sound system of internal control which facilitates the effective exercise of the Council's functions and which includes arrangements for the management of risk. The maintenance and consideration of information about risk, such as is provided in the report, is part of the way in which the Council fulfils this duty.
- 5.3. The Council is a best value authority within the meaning of section 1 of the Local Government Act 1999. As such the Council is required under section 3 of the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness (the best value duty). The setting of a medium term financial plan is one of the ways in which the Council can achieve best value.
- 5.4. The Council is required to consult for the purposes of deciding how to fulfil its best value duty. It must consult with representatives of council tax payer, business rates payers, persons likely to use services and persons appearing

to have an interest in any area within which the Council carries out functions. As the adoption of a medium term financial plan is one of the Council's existing arrangements, it is arguable that consultation is not required prior to its amendment. However, best value consultation will likely be required at the time of preparing the 2018/2019 budget.

- 5.5. When considering the medium term financial plan, any savings proposals and the strategic plan, the Council must have due regard to the need to eliminate unlawful conduct under the Equality Act 2010, the need to advance equality of opportunity and the need to foster good relations between persons who share a protected characteristic and those who don't (the public sector equality duty). A proportionate level of equality analysis is required to inform the consideration required by the public sector equality duty. The report provides the borough equality analysis and sets out how equality impacts are addressed in relation to savings proposals. To the extent that savings proposals involve service changes which impact on individuals, consultation may be required to understand the impacts on those people.
- 5.6. Any consultation carried out for the purposes of either the best value duty or the public sector equality duty will need to comply with the following requirements: (1) it should be at a time when proposals are still at a formative stage; (2) the Council must give sufficient reasons for any proposal to permit intelligent consideration and response; (3) adequate time must be given for consideration and response; and (4) the product of consultation must be conscientiously taken into account. The duty to act fairly applies and this may require a greater deal of specificity when consulting people who are economically disadvantaged. It may require inviting and considering views about possible alternatives.

6. ONE TOWER HAMLETS CONSIDERATIONS

- 6.1. The development of a rolling three year Medium Term Financial Strategy will support the more effective delivery of One Tower Hamlets priorities.

7. BEST VALUE (BV) IMPLICATIONS

- 7.1. The Council is required to consider the value for money implications of its decisions and to secure best value in the provision of all its services. It is important that, in considering the budget, Members satisfy themselves that resources are allocated in accordance with priorities and that full value is achieved.

8. SUSTAINABLE ACTION FOR A GREENER ENVIRONMENT

- 8.1. The sustainable action for a greener environment implications of individual proposals in the budget will be set out in the papers relating to those proposals.

9. RISK MANAGEMENT IMPLICATIONS

- 9.1. Managing financial risk is of critical importance to the Council and maintaining financial health is essential for sustaining and improving service performance. Setting a balanced and realistic budget is a key element in this process. Specific budget risks will be reported to Cabinet as the budget process develops.

10. CRIME AND DISORDER REDUCTION IMPLICATIONS

- 10.1. The crime and disorder implications of individual proposals in the budget will be set out in the papers relating to those proposals.

11. SAFEGUARDING IMPLICATIONS

- 11.1. The safeguarding implications of individual proposals in the budget will be set out in the papers relating to those proposals.

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:

N/A

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<p>Cabinet</p> <p>19 September 2017</p>	 <p>TOWER HAMLETS</p>
<p>Report of: Matthew Mannion, Committee Services Manager</p>	<p>Classification: Unrestricted</p>
<p>Mayor’s Individual Executive Decisions – List of Recently Published Decisions</p>	

Lead Member	Mayor John Biggs
Originating Officer(s)	Matthew Mannion, Committee Services Manager
Wards affected	All wards
Key Decision?	No
Community Plan Theme	All

Executive Summary

The Council’s Constitution provides for the Mayor to take Executive decisions either at meetings of Cabinet or outside of the meetings as Individual Mayoral Decisions.

These individual decisions are published on the Council’s website but to aid transparency, this noting report lists recent individual decisions that have been taken.

Recommendations:

The Mayor in Cabinet is recommended to:

1. Note the Individual Mayoral Decisions set out in the Appendices.

1. REASONS FOR THE DECISIONS

- 1.1 This is a noting report to aid transparency.
- 1.2 The reasons each decision were taken are set out in their specific reports.

2. ALTERNATIVE OPTIONS

- 2.1 The alternative option would be to not produce this report, but that would not aid transparency of decision making.

3. DETAILS OF REPORT

- 3.1 The Council's Constitution (Part 4.4 Executive Procedure Rules) sets out that "decisions on executive functions are taken by the Mayor, either at the Cabinet meeting or separately". Decisions taken outside of Cabinet are known as Individual Mayoral Decisions.
- 3.2 The majority of decisions are taken at Cabinet meetings but on occasion, due to the nature of the decision (for example, the urgency required), decisions are taken individually by the Mayor outside of the Cabinet meetings.
- 3.3 Any individual decisions taken must follow standard procedures including, for Key Decisions, advance publication of a notice to take the decision on the website. The sign-off sheets containing an introduction to the decisions and the decisions taken along with the full decision reports are published on the website once the decision has been taken and are available on the Tower Hamlets website through www.towerhamlets.gov.uk/committee.
- 3.4 If a specific decision report is Exempt/Confidential under the Access to Information Procedure Rules (Part 4.2 of the Constitution) then notice that the decision has been taken will still be published along with the reason why the report is exempt but the report itself will not be published. In other cases only part of the report may be exempt.
- 3.5 In line with the Constitution, all Individual Mayoral Decisions are subject to the Call-In procedure (Part 4.5 Overview and Scrutiny Procedure Rules). Councillors may call-in the decision within 5 working days of the decision being published on the website.
- 3.6 Each individual decision is given a unique reference number which is recorded on the relevant sign-off sheet and agenda front sheet. Numbers from 101 upwards relate to individual decisions taken by Mayor John Biggs.
- 3.7 The Mayor has requested that, to aid transparency, a noting report be presented at each Cabinet meeting listing recent Individual Mayoral Decisions. The sign-off sheets for each decision are also appended to this report for information.

3.8 The list of decisions to report to this Cabinet meeting are:

List of Individual Mayoral Decisions taken since the last report

Decision Number	Date of Decision*	Report Title	Sign off Sheet
164	14 July 2017	229 Bethnal Green Road, E2 6AB, PDC – Property Transaction	Appendix 1
165	25 July 2017	Fire Safety – Detailed Proposals for additional resources and urgent works	Appendix 2
168	2 August 2017	Additional Police resources on LBTH Housing Estates	Appendix 3
167	4 August 2017	Appointment to Norton Folgate Charity	Appendix 4
170	15 August 2017	Tower Hamlets Affordable Housing Grant Variation	Appendix 5
171	16 August 2017	Neighbourhood Planning: Determination of Roman Road Bow Neighbourhood Planning Forum	Appendix 6
163	18 August 2017	Acquisition of Arches 89 and 89a Hemming Street	Appendix 7
172	18 August 2017	Smarter Together Programme – Grant Thornton Contract	Appendix 8
173	23 August 2017	Capital Investment Programme – Urgent Works to Council Owned Assets	Appendix 9

* The date of the decision refers to the date of publication on the Council’s website.

4. COMMENTS OF THE CHIEF FINANCE OFFICER

4.1 This is a noting report. The comments of the Chief Financial Officer in relation to each individual decision have been incorporated into each respective report.

5. LEGAL COMMENTS

5.1 This is a noting report. Legal comments in relation to each individual decision have been incorporated into each respective report.

5.2 The decision making processes set out in the Constitution and outlined above are in accordance with the legislation governing local authority decision making including the Local Government Act 2000 (as amended) and the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012.

6. ONE TOWER HAMLETS CONSIDERATIONS

6.1 None directly related to this report.

7. BEST VALUE (BV) IMPLICATIONS

7.1. None directly related to this report.

8. SUSTAINABLE ACTION FOR A GREENER ENVIRONMENT

8.1 None directly related to this report.

9. RISK MANAGEMENT IMPLICATIONS

9.1 None directly related to this report.

10. CRIME AND DISORDER REDUCTION IMPLICATIONS

10.1 None directly related to this report.

11. SAFEGUARDING IMPLICATIONS

11.1 None directly related to this report.

Linked Reports, Appendices and Background Documents

Linked Report

- None

Appendices


- As listed under Paragraph 3.8

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

- None

Officer contact details for documents:

- Matthew Mannion, Committee Services Manager, 020 7364 4651

<p>Report of the:</p> <p>CABINET</p> <p>Tuesday 19 September 2017</p> <p>COUNCIL</p> <p>Wednesday 20 September 2017</p>	
<p>Report of: Asmat Hussain, Corporate Director, Governance and Monitoring Officer</p>	<p>Classification: Unrestricted</p>
<p>Mayor's Cabinet and Executive Arrangements - Update</p>	

Originating Officer(s)	David Courcoux, Head of the Mayor's Office
Wards affected	All wards

SUMMARY

As set out in the Council's Constitution Council Procedure Rules at Part 4.1, the Council's Annual General Meeting will receive a report noting the Executive Mayor's Cabinet Appointments and other arrangements in respect of Executive Decision Making.

The Mayor may amend or revoke any delegation of an executive function at any time and this report provides notice of an update to the scheme presented at the Council's AGM on 17 May 2017.

Recommendations:

The Mayor in Cabinet is recommended to agree to:

- 1) Note the report

That Council agrees:

- 1) To note the updated Mayor's Executive Decision Making Scheme

1. REASONS FOR THE DECISIONS

- 1.1 To note the updated Mayor's Executive Scheme of Delegation.

2. ALTERNATIVE OPTIONS

2.1 None.

3. DETAILS OF THE REPORT

3.1 The Executive Scheme of Delegation is at Appendix A and the Mayor has made the following changes:

- (a) Cllr Denise Jones is replacing Cllr Rachael Saunders as Cabinet Member for Health and Adults Services; and
- (b) On the Individual Mayoral Decision Proforma where the Corporate Director signs to confirm that s/he approves the report and the proposed decision, the following words have been added “I confirm that the Mayor and/or Lead Member have agreed to this decision being taken using this process.” The reason for this change is to clarify that when the Corporate Director signs the Individual Mayoral Decision (IMD) that they are sure the Lead Member/Mayor is content for the decision to be taken as an IMD.

5. COMMENTS OF THE CHIEF FINANCE OFFICER

5.1 There are no direct financial considerations arising from this report.

6. LEGAL COMMENTS

6.1 The Mayor may amend or revoke any delegation of an executive function at any time but, in doing so, must within 5 working days of agreeing any change, the Mayor shall present a written record of the change that s/he has agreed, together with the reasons for that change, to the Monitoring Officer. Whenever the Monitoring Officer receives notification from the Mayor of any change(s) to the Executive Scheme of Delegation, Cabinet appointment(s) or portfolio(s), the Monitoring Officer will inform all Councillors of the change(s) made and any reasons given by the Mayor.

6.2 It was previously agreed with the Mayor’s office that the Mayor’s Scheme of Delegation should go to the next meetings of Council and Cabinet for noting the change and this report is in accordance with that Agreement. This report is also the Monitoring Officer’s notification to all Councillors of the change.

Appendices

Appendix 1 – The Mayor’s Executive Scheme of Delegation

APPENDIX 1

THE MAYOR'S EXECUTIVE SCHEME OF DELEGATION

With effect from xxxxxxxx

PART A - EXECUTIVE SCHEME OF DELEGATION

1. PURPOSE

1.1 The purpose of this Executive Scheme of Delegation is to:-

- (a) be clear about who can make which executive decisions including Key Decisions;
- (b) facilitate the smooth running of Council business;
- (c) ensure that the Mayor is able to provide effective strategic leadership for the overall policy direction of the Council and to promote partnership working with other agencies; and that officers take responsibility for operational matters and policy implementation.

2. THE CONSTITUTION

2.1 Once presented by the Mayor to the Annual Council Meeting or to the Monitoring Officer, this Executive Scheme of Delegation will form part of the Council's Constitution and will be appended to it. Its provisions apply alongside the Council Procedure Rules (Part 4.1) and Access to Information Procedure Rules (Part 4.2) provisions included in the Constitution.

3. AMENDMENTS TO THE EXECUTIVE SCHEME OF DELEGATION

3.1 This Scheme of Delegation remains in force for the term of office of the Mayor unless and until it is amended or revoked by the Mayor in accordance with Rule 1.2 of the Executive Procedure Rules.

4. NON-EXECUTIVE DECISIONS

4.1 No delegated power in this Executive Scheme of Delegation applies to any decision that relates to a matter that is not an Executive function either by law or by the allocation of local choice functions under the Council's Constitution.

5. THE COMPOSITION OF THE EXECUTIVE

5.1 The Executive shall consist of ten (10) people, namely the Mayor and nine (9) Councillors as set out below:-

Name	Portfolio
Mayor John Biggs	Executive Mayor Specific responsibility for <ul style="list-style-type: none"> - Strategy, Policy and Performance - Partnerships - Equalities
Cllr Sirajul Islam Statutory Deputy Mayor	Cabinet Member for Housing Deputy Mayor also responsible for: <ul style="list-style-type: none"> - Work with Faith Communities - Welfare Reform Response - Community Language Service
Cllr Denise Jones	Cabinet Member for Health & Adult Services
Cllr Joshua Peck	Cabinet Member for Work and Economic Growth
Cllr Asma Begum	Cabinet Member for Community Safety
Cllr Rachel Blake	Cabinet Member for Strategic Development and Waste Also leading joint work on air quality
Cllr Amy Whitelock Gibbs	Cabinet Member for Education and Children's Services
Cllr David Edgar	Cabinet Member for Resources
Cllr Abdul Mukit	Cabinet Member for Culture and Youth
Cllr Amina Ali	Cabinet Member for Environment Cabinet member responsible also for: <ul style="list-style-type: none"> - Somali Task Force implementation

6. DELEGATIONS TO THE EXECUTIVE

- 6.1 The Mayor has not delegated any decision-making powers to the Executive acting collectively.
- 6.2 The Mayor may, in accordance with Rule 1.2 of the Executive Procedure Rules, appoint such committees of the Executive as he considers appropriate from time to time and he appoints the following at this time:
- King George's Fields Charity Board
 - The Grants Determination Sub-Committee
- 6.3 Subject to the Mayor's prerogative to make decisions on all matters relating to all his statutory powers, the Mayor delegates to each Cabinet Member individually the power to make decisions on matters within their portfolio after consultation with the Mayor and subject to the Mayor raising no objection to the proposed decision. Any such decision by a cabinet member will be subject to a written report and the same procedure as applies to mayoral executive decisions.
- 6.4 In accordance with section 14(6) of the Local Government Act 2000 (as amended), any arrangements made by the Mayor for the discharge of an executive function by an executive member, committee or officer are not to prevent the Mayor from exercising that function.

7. DELEGATIONS TO OFFICERS

- 7.1 The Mayor has delegated to officers decision making powers in relation to Executive functions as set out at Parts 3 and 8 of the Council's Constitution.

8. OTHER DELEGATIONS

- 8.1 The Mayor has not delegated any powers to any area committee, or to any ward Councillor in accordance with section 236 of the Local Government and Public Involvement in Health Act 2007.
- 8.2 The Mayor has delegated powers to joint arrangements with other local authorities as set out in Part 2, Article 11 and Part 3.3.22 of the Council's Constitution
- 8.3 Subject to paragraph 8.2 above, the Mayor has not delegated any powers to any other local authority.

**PART B - PROCESS FOR EXECUTIVE DECISION MAKING
BY THE MAYOR OR A CABINET MEMBER**

1. Where an Executive decision, including a Key Decision, falls to be made and either:-
 - (a) authority to make that decision has not been delegated by the Mayor under this Executive Scheme of Delegation; or
 - (b) authority has been delegated but the person or body with delegated powers declines to exercise those powers; or
 - (c) authority has been delegated but the Mayor nevertheless decides to take the decision himself,

the decision shall be made by the Mayor individually, after consultation with the Monitoring Officer, the Chief Finance Officer and such other Corporate Director(s), the Head of Paid Service or Cabinet Member(s) as required.
2. Executive decisions (including Key Decisions) to be taken by the Mayor in accordance with paragraph 1 above shall either be taken:-
 - (a) at a formal meeting of the Executive, notice of which has been given in accordance with the Executive Procedure Rules (Part 4.4) of the Constitution and to which the Access to Information Rules (Part 4.2) of the Constitution shall apply; or
 - (b) in accordance with the procedure at paragraph 5 below.
3. In the case of a decision taken at a formal meeting of the Executive, the Mayor will take the decision having received written and oral advice from appropriate officers and consulted those members of the Executive present. In the event that a meeting of the Executive is not quorate, the Mayor may still take any necessary decisions having consulted any Executive members present. All Mayoral decisions taken at a formal meeting of the Executive shall be recorded in the minutes of the meeting.
4. The Cabinet Meeting is not authorised to exercise the Mayor's powers in the absence of the Mayor. If the Mayor is unable to act for any reason, and only in those circumstances, the Deputy Mayor is authorised to exercise the Mayor's powers.
5. The Mayor may at his discretion make a decision in relation to an Executive function, including a Key Decision, alone and outside the context of a meeting of the Executive. In relation to any decision made by the Mayor under this provision:-
 - (a) The decision may only be made following consideration by the Mayor of a full report by the relevant officer(s) containing all relevant information, options

and recommendations in the same format as would be required if the decision were to be taken at a meeting of the Executive;

- (b) The provisions of the Overview and Scrutiny Procedure Rules in relation to call-in, including the rules regarding urgent decisions, shall apply;
- (c) In the case of a Key Decision as defined in Part 2, Article 13 of the Constitution, the provisions of the Access to Information Procedure Rules in relation to prior publication on the Forward Plan shall apply; and
- (d) The decision shall not be made until the Mayor has confirmed his agreement by signing a Mayoral Decision Proforma (example attached) which has first been completed with all relevant information and signed by the relevant Chief Officers.


6. All Mayoral decisions taken in accordance with paragraph 5 above shall be:-

- (a) Recorded in a log held by the Democratic Services Manager and available for public inspection; and
- (b) Published on the Council's website;

save that no information that in the opinion of the Corporate Director, Law, Probity and Governance is 'exempt' or 'confidential' as defined in the Council's Access to Information Procedure Rules (Part 4.2) shall be published, included in the decision notice or available for public inspection.

7. Any decision taken by an individual Cabinet Member in relation to any matter delegated to him/her in accordance with paragraph 6 of the Mayor's Executive Scheme of Delegation shall:-

- (a) be subject to the same process and rules as a Mayoral decision in accordance with paragraphs 5 and 6 above; and
- (b) not be made until the Mayor has confirmed in writing that he has no objection to the decision.

Individual Mayoral Decision Proforma	 TOWER HAMLETS
Decision Log No: (To be inserted by Democratic Services)	
Report of: [Insert name and title of corporate director]	Classification: [Unrestricted or Exempt]
[Insert title here]	

Is this a Key Decision?	Yes / No (Report author to delete as applicable)
Decision Notice Publication Date:	(Report author to state date of decision notice – either individual notice or within the Forward Plan)
General Exception or Urgency Notice published?	Yes (give details) / Not required (Report author to delete as applicable)
Restrictions:	(If restricted state which of the exempt/confidential criteria applies)

EXECUTIVE SUMMARY

(To be completed by Chief Officer seeking the decision)

.....

Full details of the decision sought, including reasons for the recommendations and (where applicable) each of the options put forward; other options considered; background information; the comments of the Chief Finance Officer; the concurrent report of the Corporate Director, Law, Probity and Governance; implications for One Tower Hamlets; Risk Assessment; Background Documents; and other relevant matters are set out in the attached report.

DECISION

(Proposed decision to be entered here)

.....

APPROVALS

1. (If applicable) Corporate Director proposing the decision or his/her deputy

I approve the attached report and proposed decision above for submission to the Mayor. I confirm that the Mayor and/or Lead Member have agreed to this decision being taken using this process.

Signed Date

2. Chief Finance Officer or his/her deputy

I have been consulted on the content of the attached report which includes my comments.

Signed Date

3. Monitoring Officer or his/her deputy

I have been consulted on the content of the attached report which includes my comments.

(For Key Decision only – delete as applicable)

I confirm that this decision:-

- (a) has been published in advance on the Council’s Forward Plan OR
- (b) is urgent and subject to the ‘General Exception’ or ‘Special Urgency’ provision at paragraph 18 or 19 respectively of the Access to Information Procedure Rules.

Signed Date

4. (If the proposed decision relates to matters for which the Head of Paid Service has responsibility) Head of Paid Service

I have been consulted on the content of the attached report which includes my comments where necessary.

Signed Date

5. Mayor

I agree the decision proposed at above for the reasons set out in paragraph of the attached report.

Signed Date

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