

Meeting of the

# CABINET

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Wednesday, 6 May 2009 at 5.30 p.m.

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## AGENDA – SECTION ONE

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### VENUE

Committee Room, 1st Floor, Town Hall, Mulberry Place, 5 Clove Crescent, London, E14 2BG

#### Members:

Councillor Lutfur Rahman (Chair)	– (Leader of the Council)
Councillor Sirajul Islam (Vice-Chair)	– (Deputy Leader of the Council)
Councillor Ohid Ahmed	– (Lead Member, Regeneration, Localisation and Community Partnerships)
Councillor Rofique U Ahmed	– (Lead Member, Culture and Leisure)
Councillor Anwara Ali	– (Lead Member, Health & Wellbeing)
Councillor Alibor Choudhury	– (Lead Member, Employment and Skills)
Councillor Marc Francis	– (Lead Member, Housing and Development)
Councillor Clair Hawkins	– (Lead Member, Children's Services)
Councillor Joshua Peck	– (Lead Member, Resources and Performance)
Councillor Abdal Ullah	– (Lead Member, Cleaner, Safer, Greener)

**[Note: The quorum for this body is 3 Members].**

If you require any further information relating to this meeting, would like to request a large print, Braille or audio version of this document, or would like to discuss access arrangements or any other special requirements, please contact:

Angus Taylor, Democratic Services,

Tel: 020 7364 4333, E-mail: [angus.taylor@towerhamlets.gov.uk](mailto:angus.taylor@towerhamlets.gov.uk)

**LONDON BOROUGH OF TOWER HAMLETS**

**CABINET**

**WEDNESDAY, 6 MAY 2009**

**5.30 p.m.**

**1. APOLOGIES FOR ABSENCE**

To receive any apologies for absence.

**2. DECLARATIONS OF INTEREST**

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 Chief Executive.

**PAGE  
NUMBER**  
1 - 2

**WARD(S)  
AFFECTED**

**3. UNRESTRICTED MINUTES**

To confirm as a correct record of the proceedings the unrestricted minutes of the ordinary meeting of the Cabinet held on 8<sup>th</sup> April 2009.

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**4. DEPUTATIONS & PETITIONS**

To receive any deputations or petitions.

**5. AUDIT COMMISSION ANNUAL AUDIT AND  
INSPECTION LETTER 2007/2008 -  
PRESENTATION BY AUDIT COMMISSION**

The Annual letter produced by the Audit Commission summarises the key issues arising from the Council's audit and inspection Programme for 2007/2008. The Audit Commission Comprehensive Area Assessment Lead and Relationship Manager, Mr Adewale Kadiri will be present at the meeting to present the Annual Letter and to answer any questions Members may have.

**29 - 44**

**All Wards**

## 6. OVERVIEW & SCRUTINY COMMITTEE

### 6.1 Chair's advice of Key Issues or Questions in relation to Unrestricted Business to be considered

To receive any advice of key issues or questions in relation to the unrestricted business of the Cabinet, arising from the meeting of the Overview and Scrutiny Committee held on 5<sup>th</sup> May 2009.

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

All Wards

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

The following item has been "called in" for further consideration by the Overview and Scrutiny Committee at its meeting to be held on 5<sup>th</sup> May 2009. Should the Overview and Scrutiny Committee, upon consideration, refer the report back to the Cabinet for further consideration Members will receive a copy of each report and the decision/ recommendations of the Overview and Scrutiny Committee at the Cabinet meeting.

- (i) Communities, Localities & Cultural Services Directorate Capital Programme 2009/2010 (CAB 140/089).

## UNRESTRICTED REPORTS FOR CONSIDERATION

### 7. A GREAT PLACE TO LIVE

#### 7.1 Tower Hamlets 2009/12 Housing Strategy (CAB 146/089) - To Follow

All Wards

### 8. A PROSPEROUS COMMUNITY

#### 8.1 Child Poverty Strategy (CAB 147/089)

45 - 80

All Wards

### 9. A SAFE AND SUPPORTIVE COMMUNITY

#### 9.1 Joint Drinking Control Zone with LB Hackney for Arnold Circus and Shoreditch (CAB 148/089)

81 - 88

Weavers

### 10. A HEALTHY COMMUNITY

Nil items.

	PAGE NUMBER	WARD(S) AFFECTED
<b>11. ONE TOWER HAMLETS</b>		
11 .1 Five Boroughs Olympic Joint Committee (CAB 149/089)	89 - 106	All Wards
11 .2 High Street 2012 Historic Buildings Conservation Scheme (CAB 150/089)	107 - 118	Bethnal Green South; Bow East; Mile End East; St Dunstan's & Stepney Green; Whitechapel ;
11 .3 Budget Process 2010/ 2011 (CAB 151/089)	119 - 128	All Wards
<b>12. ANY OTHER UNRESTRICTED BUSINESS CONSIDERED TO BE URGENT</b>		
<b>13. UNRESTRICTED REPORTS FOR INFORMATION</b>		
13 .1 Review of the Council's Lettings Policy (CAB 152/089)	129 - 146	All Wards

#### **14. 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.

#### **15. EXEMPT / CONFIDENTIAL MINUTES**

Nil items.

**16. OVERVIEW & SCRUTINY COMMITTEE**

**16 .1 Chair's advice of Key Issues or Questions in relation to Exempt / Confidential Business to be considered.**

Nil items.

**16 .2 Any Exempt / Confidential Decisions "Called in" by the Overview & Scrutiny Committee**

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

Nil items.

**EXEMPT / CONFIDENTIAL REPORTS FOR CONSIDERATION**

**17. A GREAT PLACE TO LIVE**

Nil items.

**18. A PROSPEROUS COMMUNITY**

Nil items.

**19. A SAFE AND SUPPORTIVE COMMUNITY**

Nil items.

**20. A HEALTHY COMMUNITY**

Nil items.

**21. ONE TOWER HAMLETS**

Nil items.

**22. ANY OTHER EXEMPT/ CONFIDENTIAL BUSINESS CONSIDERED TO BE URGENT**

**23. EXEMPT / CONFIDENTIAL REPORTS FOR INFORMATION**

Nil items.

## SCRUTINY PROCESS

The Overview and Scrutiny Committee, at its meeting on **Tuesday 9<sup>th</sup> June 2009** may scrutinise provisional decisions made in respect of any of the reports attached, if it is “called in” by **five** or more Councillors except where the decision involves a recommendation to full Council.

The deadline for “Call-in” is: Friday 15<sup>th</sup> May 2009 (5.00 p.m.)

The deadline for Deputations is: Wednesday 3<sup>rd</sup> June 2009 (5.00 p.m.)

Councillors wishing to “call-in” a provisional decision, or members of the public wishing to submit a deputation request, should contact:

**John Williams**  
**Service Head Democratic Services:**  
**020 7364 4205**

# Agenda Item 2

## DECLARATIONS OF INTERESTS - NOTE FROM THE CHIEF EXECUTIVE

This note is guidance only. Members should consult the Council's Code of Conduct for further details. Note: Only Members can decide if they have an interest therefore they must make their own decision. If in doubt as to the nature of an interest it is advisable to seek advice **prior** to attending at a meeting.

### Declaration of interests for Members

Where Members have a personal interest in any business of the authority as described in paragraph 4 of the Council's Code of Conduct (contained in part 5 of the Council's Constitution) then s/he must disclose this personal interest as in accordance with paragraph 5 of the Code. Members must disclose the existence and nature of the interest at the start of the meeting and certainly no later than the commencement of the item or where the interest becomes apparent.

You have a **personal interest** in any business of your authority where it relates to or is likely to affect:

- (a) An interest that you must **register**
- (b) An interest that is not on the register, but where the well-being or financial position of you, members of your family, or people with whom you have a close association, is likely to be affected by the business of your authority more than it would affect the majority of inhabitants of the ward affected by the decision.

Where a personal interest is declared a Member may stay and take part in the debate and decision on that item.

**What constitutes a prejudicial interest?** - Please refer to paragraph 6 of the adopted Code of Conduct.

**Your personal interest will also be a prejudicial interest in a matter if (a), (b) and either (c) or (d) below apply:-**

- (a) A member of the public, who knows the relevant facts, would reasonably think that your personal interests are so significant that it is likely to prejudice your judgment of the public interests; AND
- (b) The matter does not fall within one of the exempt categories of decision listed in paragraph 6.2 of the Code; AND EITHER
- (c) The matter affects your financial position or the financial interest of a body with which you are associated; or
- (d) The matter relates to the determination of a licensing or regulatory application

The key points to remember if you have a prejudicial interest in a matter being discussed at a meeting:-

- i. You must declare that you have a prejudicial interest, and the nature of that interest, as soon as that interest becomes apparent to you; and
- ii. You must leave the room for the duration of consideration and decision on the item and not seek to influence the debate or decision unless (iv) below applies; and

- iii. You must not seek to improperly influence a decision in which you have a prejudicial interest.
- iv. If Members of the public are allowed to speak or make representations at the meeting, give evidence or answer questions about the matter, by statutory right or otherwise (e.g. planning or licensing committees), you can declare your prejudicial interest but make representations. However, you must immediately leave the room once you have finished your representations and answered questions (if any). You cannot remain in the meeting or in the public gallery during the debate or decision on the matter.



**LONDON BOROUGH OF TOWER HAMLETS**

**MINUTES OF THE CABINET**

**HELD AT 5.35 P.M. ON WEDNESDAY, 8 APRIL 2009**

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

**Members Present:**

Councillor Lutfur Rahman (Chair)	(Leader of the Council)
Councillor Ohid Ahmed	(Lead Member, Regeneration, Localisation and Community Partnerships)
Councillor Rofique U Ahmed	(Lead Member, Culture and Leisure)
Councillor Anwara Ali	(Lead Member, Health & Wellbeing)
Councillor Alibor Choudhury	(Lead Member, Employment and Skills)
Councillor Marc Francis	(Lead Member, Housing and Development)
Councillor Clair Hawkins	(Lead Member, Children's Services)
Councillor Sirajul Islam (Vice-Chair)	(Deputy Leader of the Council)
Councillor Joshua Peck	(Lead Member, Resources and Performance)
Councillor Abdal Ullah	(Lead Member, Cleaner, Safer, Greener)

**Other Councillors Present:**

Councillor Abdul Asad	(Chair, Overview and Scrutiny Committee)
Councillor Ahmed Hussain	

**Others Present:**

**Officers Present:**

Elise Boon	– (Group Manager, Transportation & Highways, Communities Localities & Culture)
Rachel Carless	– (Environmental Sustainability Officer, Development & Renewal)
Lara Cerroni	– (Communications Officer)
Deb Clarke	– (Joint Director of Human Resources)
Kevan Collins	– (Corporate Director, Children's Services)
Judith Colvin	– (Communities in Control Co-ordinator, Scrutiny & Equalities, Chief Executive's)
Luke Cully	– (Finance Manager)
Aman Dalvi	– (Corporate Director, Development & Renewal)
Mary Durkin	– (Service Head, Youth and Community Learning)
Jim Elliot	– (Lettings Policy Advisor, Development & Renewal)

Alan Finch	– (Service Head, Corporate Finance)
Monica Forty	– (Head of Achievement 0-11, Early Years Children & Learning, Children's Services)
Isabella Freeman	– (Assistant Chief Executive (Legal Services))
John Goldup	– (Corporate Director, Adults Health & Wellbeing)
Mark Grimley	– (Joint Assistant Director, Organisational Development)
Stephen Halsey	– (Corporate Director, Communities, Localities & Culture)
Stephen Hartley	– (Cabinet Executive Assistant)
Chris Holme	– (Service Head, Resources)
Helen Jenner	– (Service Head, Early Years Children & Learning)
Michael Keating	– (Service Head, Scrutiny & Equalities)
Abdul Khan	– (Environmental Sustainability Officer, Development & Renewal)
Paul Leeson	– (Finance Manager, Development & Renewal)
Martin Smith	– (Chief Executive)
Angus Taylor	– (Executive Team Leader, Democratic Services, Chief Executive's)
Lisa Zychowicz	– (Lead Officer Governor Services, Children's Services)
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### **COUNCILLOR L. RAHMAN (CHAIR) IN THE CHAIR**

#### **1. APOLOGIES FOR ABSENCE**

Apologies for absence were received on behalf of:

- Mr C. Naylor, Corporate Director Resources for whom Ms D. Clarke, Joint Director Human Resources, Resources, was deputising.
- Mr L. Ali, Assistant Chief Executive for whom Mr M. Keating, Service Head Scrutiny & Equalities, Chief Executive's, was deputising.

**Noted.**

#### **2. DECLARATIONS OF INTEREST**

**Councillor S. Islam** declared a personal interest in Agenda item 6.1 "Amendments to the Council's Lettings Policy" (CAB 138/089). The declaration of interest was made on the basis that the report contained recommendations relating to the Authority's Lettings Policy (which determines nominations from the Common Housing Register for properties in the ownership of the Authority (managed by Tower Hamlets Homes]) and Councillor Islam was a tenant of Tower Hamlets Homes.

**Councillor Rofique U. Ahmed** declared a personal interest in Agenda item 6.3 "Communities, Localities & Cultural Services Directorate Capital Programme 2009/10". The declaration of interest was made on the basis that the report contained recommendations relating to the 2012 Olympic and Paralympic Games and Councillor Ahmed was a Board Member - Olympic Delivery Authority - Planning Decision Team.

**Councillor S Islam** declared a personal interest in Agenda item 6.3 "Communities Localities & Cultural Services Directorate Capital Programme 2009/2010". The declaration of interest was made on the basis that the report contained recommendations relating to the Authority's Capital Programme for Highways, Councillor Islam had a suggestion to make regarding the inclusion of a scheme relating to John Scurr Primary School in the Capital Programme and Councillor Islam was a school governor at John Scurr primary school.

**Councillor S. Islam** declared a personal interest in Agenda item 11.1 Housing Revenue Account Amended Rent Setting Report 2009/10" (CAB 138/089). The declaration of interest was made on the basis that the report contained recommendations relating to the level of housing rent for properties in the ownership of the Authority (managed by Tower Hamlets Homes also known as the ALMO) and Councillor Islam was a tenant of Tower Hamlets Homes.

**Councillor O Ahmed** declared a personal interest in Agenda item 11.1 Housing Revenue Account Amended Rent Setting Report 2009/10" (CAB 138/089). The declaration of interest was made on the basis that the report contained recommendations relating to the level of housing rent for properties in the ownership of the Authority (managed by Tower Hamlets Homes also known as the ALMO) and Councillor Ahmed was a representative of the Authority on the governing body of Tower Hamlets Homes.

**Noted.**

### **3. UNRESTRICTED MINUTES**

The Chair **Moved** and it was: -

#### **Resolved**

That the unrestricted minutes of the ordinary meeting of the Cabinet held on 11<sup>th</sup> March 2009 be approved and signed by the Chair, as a correct record of the proceedings.

### **4. DEPUTATIONS & PETITIONS**

The clerk advised that the Assistant Chief Executive had received no requests for deputations or petitions in respect of the business contained in the agenda.

### **5. OVERVIEW & SCRUTINY COMMITTEE**

### 5.1 Chair's advice of Key Issues or Questions in relation to Unrestricted Business to be considered

The Chair informed members of the Cabinet that Councillor Asad, Chair of the Overview and Scrutiny Committee, had **Tabled** a sheet of questions/ comments arising from the deliberations of the Overview and Scrutiny Committee, held on 7<sup>th</sup> April 2009, in respect of the unrestricted business contained in the agenda for consideration, a copy of which would be interleaved with the minutes.

Councillor Asad, Chair of the Overview and Scrutiny Committee:-

- Thanked Councillor Rahman, Leader of the Council, for attending the Overview and Scrutiny Committee the previous evening for the final "Scrutiny Spotlight" of the Municipal Year 2008/09. In acknowledging that there had been some excellent achievements by the Authority, Councillor Asad commented that it was important for it not to rest on its laurels but to continue striving to improve services for local residents; and he considered that the Scrutiny Spotlight sessions had served a useful purpose in this context.
- Informed members of the Cabinet that the Committee:
  - Received an excellent presentation, from officers in the Strategy and Performance Team, highlighting the importance of partnership working and the role of Councillors in ensuring that the Authority's performance continued to improve.
  - Received a detailed presentation from Councillor Khatun, Scrutiny Lead A Safe and Supportive Community, outlining the key points of the report of the Scrutiny Working Group, which she had chaired, on alcohol misuse amongst young people (smashed). Councillor Asad commented that the review had indicated that this was a significant issue of increasing prevalence in the Borough and that further work was needed to identify the exact nature of the problem and associated solutions. The report would now be forwarded to the appropriate Lead Member and Council directorate for response.
  - Would receive presentations in respect of the remaining five scrutiny reviews, undertaken in the Municipal Year 2008/09, at its next meeting.
- Informed members of the Cabinet that he had nothing to add to the questions/ comments raised by the Overview and Scrutiny Committee, as set out in the tabled paper regarding: -
  - Agenda Item 6.1 "Amendments to the Council's Lettings Policy"
  - Agenda Item 6.2 "Local Authority Carbon Management Programme"
  - Agenda Item 6.3 "Communities, Localities & Cultural Services Directorate Capital Programme 2009/10"
  - Agenda Item 8.1 "Commission into the Public Safety of Young People in Tower Hamlets"

The Chair thanked Councillor Asad for:

- Presenting the contribution of the Overview and Scrutiny Committee.
- The work of the Overview and Scrutiny Committee during the past Municipal Year, emphasising the importance of checks and balances in the Authority's formulation of policy and associated decision making process.
- **Moved**, and it was: -

### **Resolved**

That the questions and comments of the Overview and Scrutiny Committee be noted, and that these be given consideration during the Cabinet deliberation of the items of business to which the questions/ comments related.

## **5.2 Any Unrestricted Decisions "Called in" by the Overview & Scrutiny Committee**

The Clerk advised that no requests had been received by the Assistant Chief Executive to "call in" for further consideration, by the Overview and Scrutiny Committee, any provisional decisions taken by the Cabinet, at its meeting held on 11<sup>th</sup> March 2009.

## **6. A GREAT PLACE TO LIVE**

### **6.1 Amendments to the Council's Lettings Policy (CAB 138/089)**

**Councillor S. Islam** declared a personal interest in Agenda item 6.1 "Amendments to the Council's Lettings Policy" (CAB 138/089). The declaration of interest was made on the basis that the report contained recommendations relating to the Authority's Lettings Policy (which determines nominations from the Common Housing Register for properties in the ownership of the Authority (managed by Tower Hamlets Homes]) and Councillor Islam was a tenant of Tower Hamlets Homes.

Councillor Francis, Lead Member Housing and Development, at the request of the Chair, in introducing the report:

- Summarised the salient points contained therein informing members of the Cabinet:
  - That it was proposed that the Authority's existing Lettings Policy was revised in response to a recent Judicial Review and associated judgement against the London Borough of Tower Hamlets.
  - In this case the appellant's lawyer had identified a loophole in the wording of the Lettings Policy and used this to ensure the client's housing need was prioritised, when otherwise it would not have

- been: as the client had been assessed as homeless and eligible for assistance but not in priority need.
- There was a need to close the loophole so that it was not used by other, in a similar position, to secure priority over persons assessed to be both homeless and in priority need. That would be unfair as the statutorily homeless and those assessed to be in priority need were vulnerable elements of the Community, whereas the single homeless were not necessarily vulnerable. If the policy was not amended it would place further pressure on the limited housing resources available to the Council.
  - The revised Lettings Policy would not disadvantage those generally on the housing waiting list.
- Addressed the matters raised by the Overview and Scrutiny Committee, held on 7<sup>th</sup> April 2009, in relation to the report; as set out in the tabled sheet of questions and comments presented by the Chair of the Overview and Scrutiny Committee earlier in the proceedings. Also undertaking to provide members of the Overview and Scrutiny Committee with a written copy of his response.

The Chair **Moved** the recommendations as set out in the report and it was: -

**Resolved:**

1. That paragraph 2.2.2 of the Lettings Policy (Community Group 2) be amended as follows: *“to include persons who are statutorily homeless and who have an assessed priority need and are accepted as unintentionally homeless.”*;
2. That paragraph 2.2.3 of the Lettings Policy (Community Group 3) be amended as follows: *“to include persons who are statutorily homeless and who do not have an assessed priority need, and all other housing applicants who do not fall within groups 1,2 or 4”*; and
3. That paragraph 2.3 of the Lettings Policy be amended as follows: *“Group 3 If you are not included in any of these other groups or have been assessed as homeless but are not in priority need, your application will normally be placed in Group 3”*.

## **6.2 Local Authority Carbon Management Programme (CAB 139/089)**

Ms Carless, Environmental Sustainability Officer, Development and Renewal, at the request of the Chair in introducing the report:

- Summarised the salient points contained therein as follows:
  - Informing the Cabinet that tackling climate change was now a core policy driver at both local and national government level, and from 2009 all authorities would be assessed by Government through the Comprehensive Area Assessment (CAA), on their ability to work together with local public and private partners to

- reduce their energy consumption both within and beyond organisational boundaries.
- Advising that the 2008 Comprehensive Performance Assessment, in which the Authority had been scored as a four star excellent Council, had contained two key recommendations for improvement including giving greater priority to environmental sustainability. The Audit Commission would be pursuing key lines of enquiry in relation to the Use of Resources element of the CAA which required the Council to make effective use of natural resources. This included assessment of its ability to
    - Understand and quantify its use of natural resources and identify the main influencing factors
    - Manage performance to reduce its impact on the environment
    - Manage environmental risks it faced, working with partners
  - Informing the Cabinet that the Carbon Management Plan (CMP) would contribute to achievement of National Indicators 185 (reduction from local authority operations), 186 (per capita reduction), 194 (air quality), 187 (fuel poverty). It would also reduce financial penalties under the Carbon Reduction Commitment.
  - Detailing the authority's carbon baseline for 2008 and associated energy costs and the main contributors to the baseline: Schools, civic buildings, housing and Leisure.
  - Outlining the cost or value at stake of not undertaking the CMP, defined as the business as usual and reduced emissions scenarios, estimated to be £4 million if the 25% reduction target was reached by 2012 or £9.7 million if the 60% target was reached by 2020.
  - Outlining the key areas of activity in the proposed CMP and advising that a key element of the CMP was the Carbon Embedding Matrix which would commit the Authority to achieving level 5 in all areas by 2011.
  - Addressed the matters raised by the Overview and Scrutiny Committee, held on 7<sup>th</sup> April 2009, in relation to the report; as set out in the tabled sheet of questions and comments presented by the Chair of the Overview and Scrutiny Committee earlier in the proceedings.

Councillor Peck, Lead Member Resources and Performance:

- Commented that report was inevitably quite technical, given the subject matter, but that this should not detract from the step change in policy that it contained, possibly one of the biggest in the 3 years of the current Administration, and certainly moving policy further forward in this area than ever before.
- Commented that it was recognised that the Authority's environmental performance had lagged behind improved performance in other areas and a key factor in this had been its energy use. The Audit Commission had highlighted this and the Administration had acknowledged it must be addressed. This was important given the associated costs of business as usual were forecast to rise from

approximately £3.5 million in 2008 to £5.5 million in 2012; and particularly so in the context of the introduction of the Carbon Reduction Commitment (CRC), a “cap and trade” system.

- Commended the ambitious commitment, contained in the proposals, of the Authority achieving a 60% reduction in carbon emissions by 2020. This would place the Authority amongst the leading authorities in this field, with only one authority known to have a more ambitious target: Cardiff at 70%.
- Cautioned that targets must be matched by achievement and this would require organisational re-alignment.
- Advised of an error at page 4 of CMP appended to the report which stated that the CMP committed the Authority to a target of reducing carbon dioxide emissions by 30% by 2012 with an associated cumulative saving of £4.7 million which should actually be 25% and £4 million respectively.
- Formally thanked Ms Carless, Environmental Sustainability Officer, and other officers across the Council that had contributed to the team effort required to bring forward these proposals.

A brief discussion followed in which Members welcomed the proposals and clarification was sought and given with regard to the setting of carbon emission reduction targets for partners of the Authority, such as Registered Social Landlords and also Tower Hamlets Homes (the arms length management organisation for housing stock remaining in the ownership of the Authority) and the provision for monitoring such targets.

The Chair, in **Moving** the recommendations, as set out in the report:

- Thanked all those who had contributed to the development of the proposals.
- Welcomed the ambitious target of a 60% reduction in carbon emissions from the Authority’s activities by 2020 and also that this was more ambitious than neighbouring boroughs.
- Requested that the Corporate Director Development and Renewal ensure that performance against target was adequately monitored to ensure achievement.

And it was:-

**Resolved:**

1. That the Carbon Management Plan attached at Appendix 1 to the report (CAB 139/089), be approved;
2. That the following targets for reducing carbon emissions from Council operations as outlined in the Carbon Management Plan be agreed:-
  - 25% by 2012
  - 40% by 2016
  - 60% by 2020



3. That a corporate framework be developed to verify, achieve and maintain carbon reduction targets over the longer term within the Authority's Strategic Plan;
4. That the Authority's Capital Strategy be revised to include the aim of 'Reducing the Council's carbon footprint and assisting the community to do likewise';
5. That all new capital scheme funding applications include a Carbon Impact Assessment;
6. That the Corporate Director Development and Renewal be instructed to review the Asset Management Plan (AMP) to assess the forward 'Carbon Reduction Commitment' risks being created by schemes already agreed within the capital programme, in the context of the Asset Management Plan's ability to deliver savings and cost reductions over the medium term;
7. That it be noted that the target carbon reductions included in the Carbon Management Plan and the implementation of the projects detailed in the plan are essential to the achievement of the following National Indicators:
  - NI185 %C CO<sub>2</sub> reduction from LA operations
  - NI186 Per capita CO<sub>2</sub> emissions in the LA area
8. That the introduction of the Carbon Reduction Commitment from 2010/2011 onwards and the potential financial penalties for not reducing carbon emissions, be noted.

### **6.3 Communities, Localities & Cultural Services Directorate Capital Programme 2009/2010 (CAB 140/089)**

**Councillor Rofique U. Ahmed** declared a personal interest in Agenda item 6.3 "Communities, Localities & Cultural Services Directorate Capital Programme 2009/10". The declaration of interest was made on the basis that the report contained recommendations relating to the 2012 Olympic and Paralympic Games and Councillor Ahmed was a Board Member - Olympic Delivery Authority - Planning Decision Team.

**Councillor S Islam** declared a personal interest in Agenda item 6.3 "Communities Localities & Cultural Services Directorate Capital Programme 2009/2010". The declaration of interest was made on the basis that the report contained recommendations relating to the Authority's Capital Programme for Highways, Councillor Islam had a suggestion to make regarding the inclusion of a scheme relating to John Scurr Primary School in the Capital Programme and Councillor Islam was a school governor at John Scurr primary school.

Mr Halsey, Corporate Director, Communities, Localities and Culture, at the request of the Chair, in introducing the report:

- Briefly summarised salient points contained therein, drawing the attention of members of the Cabinet to the schemes proposed for inclusion in the Communities, Localities and Culture (CLC) 2009/10 Capital Programme, as detailed in Appendix A and B to the report; and also to the element of these funded by London Borough of Tower Hamlets.
- Addressed the matters raised by the Overview and Scrutiny Committee, held on 7<sup>th</sup> April 2009, in relation to the report; as set out in the tabled sheet of questions and comments presented by the Chair of the Overview and Scrutiny Committee earlier in the proceedings.

A discussion followed which focused on the following points:-

- The focus on pedestrian and cycling related schemes was welcomed in the context of a recognised need to improve such provision. It was however requested that use of the allocated resources be expeditiously progressed in 2009/10.
- In referring to the proposed scheme, detailed at page 2 of Appendix A to the report, for a cycle contra-flow at Old Ford Road, Councillor Peck reported that cyclists had complained to him that drivers were breaking the 20mph limit along Old Ford Road, and this was in fact exacerbated by the central reservations which had been installed to slow traffic, but which actually forced speeding cars towards the kerb. Speed surveys requested by Councillor Peck, Lead Member Resources and Performance, had proved that the 20mph limit was regularly being exceeded but Highways had concluded that no action should be taken. Councillor Peck requested the Corporate Director Communities Localities and Culture to review this decision, with a view to increasing safety for cyclists.
- Considered that the pedestrian crossing on Grove Road was very dangerous. In this context a fatal accident, several year's ago, and a serious accident when an elderly resident had been knocked down on the crossing by a vehicle, was noted. Councillor Peck, Lead Member Resources and Performance, had pursued this matter and in particular the potential to convert the zebra crossing to a pelican crossing, with Transport for London (TfL), but without success. In this context the Corporate Director Communities, Localities and Culture, was requested to take up this matter with TfL.
- Considered that the pedestrian crossing at the junction of Mile End Road and Burdett Road was dangerous. In this context a fatal accident, shortly after Christmas 2008, when a woman had been killed on the crossing, was noted. Members had been indicating TfL for some months prior to the recent accident that the crossing was dangerous (because it is a busy arterial route and also a very busy pedestrian crossing used by people to access the nearby underground station), however TfL had responded that the crossing did not meet their criteria for undertaking improvements to the crossing (ie a death or serious injury). It was noted that despite the recent fatality TfL were still not taking appropriate action to improve the pedestrian crossing. In this context the Corporate Director Communities, Localities and Culture, was requested to take up this matter with TfL.

- In referring to Appendix B to the report, the following initiatives were welcomed:
  - The prioritisation of capital investment in parks and in particular £460,000 in Bethnal Green Gardens.
  - The proposed £255,000 of capital investment for the refurbishment of Bancroft Library, to provide a home of a fitting standard for the Local History Archive.
  - The investment of £500,000 in CCTV to prevent crime.
- Clarification was sought and given regarding initial capital investment in Victoria Park of approximately £250,000 having actually been included within the 2009/10 CLC Capital Programme.
- The Corporate Director, Communities, Localities and Culture, was requested to address the following safety issues
  - Dangerous crossing outside Central Foundation School on the A11 and in particular the improvement of lighting for it and traffic calming.
  - Dangerous crossings throughout the length of Burdett Road and St Paul's Way but in particular at the junction of Burdett Road and St Paul's Way.
  - Archibald Park – lighting to discourage congregation of gangs.
  - Wellington Way – improved lighting

Councillor Islam, Deputy Leader of the Council:

- In referring to a recent deputation to the full Council, by parents and governors from John Scurr Primary School, Bethnal Green, which had highlighted the dangers to pedestrians of traffic congestion caused by parents dropping their children by car at the school entrance, commented that no mitigating action appeared to have been taken. Mr Halsey, Corporate Director Communities Localities and Culture, undertook to respond to Councillor Islam in writing regarding this matter.
- Considered that there was a need for the installation of a zebra crossing on the approach to Bangabhandu Primary School in Bethnal Green.
- Considered that New Road, Whitechapel, a busy road used by children to reach Kobi Nazrul Primary School was now dangerous to cross and merited improvements to the highway.
- Accordingly proposed the following additional recommendation, to those set out in the report, for the consideration of members of the Cabinet:
 

“That the Corporate Director Communities, Localities and Culture, give consideration to future inclusion of the following in the Communities, Localities and Culture Capital Programme:

  - Improvements to the highway in the vicinity of the entrance to John Scurr Primary School, Bethnal Green, to increased pedestrian safety.
  - Installation of a pedestrian crossing in proximity to Bangabhandu Primary School, Bethnal Green.
  - Improvements to the highway in the vicinity of New Road, Whitechapel and Kobi Nazrul Primary School, to increased pedestrian safety.”

Councillor Ullah, Lead Member Cleaner Safer Greener, commented as follows:

- Safer school routes were a priority for the Administration and there had been significant investment in such schemes.
- The cycle instruction courses made available through the Council promoted the uptake of cycling as a mode of transport in the Borough.
- Highways improvements recently undertaken on the Chicksand Estate had been transformational.
- The points raised regarding road safety were acknowledged and he undertook to take these forward where possible. However he noted that many related to highways which were the responsibility of TfL. Further that were the Greater London Authority more receptive to representations from Tower Hamlets the outcome would be much faster.

Mr Halsey, Corporate Director, Communities, Localities and Culture, commented that there were many ongoing issues with TfL, It was recognised that the relationship with TfL, at a local level, required significant improvement and this was being addressed at the highest level. Mr Halsey also undertook to examine the matters raised by Members in the discussion.

The Chair **Moved** (taking account of the proposed amendment from Councillor Islam); and it was: -

**Resolved:**

1. That the schemes listed in appendices A & B to the report (CAB 140/089) be included within the Communities Localities & Cultural Services Directorate's 2009/2010 Capital Programme;
2. That, subject to the identification of available funding, as set out in paragraph 3.2 of the report, (CAB 140/089), the Capital Estimates (sum specified in estimated scheme cost column) be adopted for the schemes as outlined in Appendices A & B to the report, (CAB 140/089);
3. That that the Council's Measured Term Contracts be used for the implementation of the Transportation and Highways Works where appropriate; and
4. That the Corporate Director Communities, Localities and Culture, give consideration to future inclusion of the following in the Communities, Localities and Culture Capital Programme:
  - Improvements to the highway in the vicinity of the entrance to John Scurr Primary School, Bethnal Green, to increased pedestrian safety.
  - Installation of a pedestrian crossing in proximity to Bangabhandu Primary School, Bethnal Green.

- Improvements to the highway in the vicinity of New Road, Whitechapel and Kobi Nazrul Primary School, to increased pedestrian safety.

## **7. A PROSPEROUS COMMUNITY**

The Clerk advised that there were no business to be considered under this section of the agenda.

## **8. A SAFE AND SUPPORTIVE COMMUNITY**

### **8.1 Commission into the Public Safety of Young People in Tower Hamlets (CAB 141/089)**

The Chair, in introducing the report:-

- Formally thanked Mr Collins, Corporate Director Children's Services, and Ms Durkin, Service Head Youth and Community Learning, and their Officer Team Officer team for their support of the Commission's activities and the report setting out the findings and recommendations of the Commission.
- Commented that the commission, which he had welcomed the opportunity to chair, had met over six months and looked at the safety of young people.
- Commissioners had been drawn from across the spectrum of agencies working with young people, and young people themselves (two deputy young mayors sat on the commission). Other commissioners were from the college, the police, churches and mosques, the local authority, the fire brigade. The Chair formally thanked all the commissioners for contributing their valuable time to assist the Commission with its work.

Councillor Hawkins, Lead Member Children's Services, commented as follows:-

- The public safety of young people was an issue of enormous significance and central to the Community Plan theme of One Tower Hamlets and therefore a key driver for the Authority.
- Violent crime and the fear of it was a real and significant issue for the young people of Tower Hamlets. The perceptions of such crime were often disproportionate to the reality, indeed the Commission had found that the crime rate was falling, however both perceptions and reality must be addressed particularly as the victims of such crime were often young people themselves.
- One issue that had emerged had been how poor access to transport and mobility could limit the options and experiences of young people. One outcome was territorialism, which was greatly damaging to both those in the associated groups of young people, as well as for those they encountered. It was positive to have pride in your community, but not to be defensive if others came into that community.

- Issues such as this were emotive, however the Commission's review had been worthwhile because of an honest and transparent examination of such issues. The contribution of all the witnesses to this was commendable, and the outcome had been illuminating.
- The Commission had found that the vast majority of young people were law abiding and this premise had identified challenging issues. One was that young people were entitled to congregate in public places in a social manner, also to use the amenities such as parks; and the Authority needed to protect them when they were there.
- The Commission had shown how important it was to listen and recent initiatives with young people, and other initiatives such as the Young Mayor's election and the You Decide campaign, had created a positive foundation to build on in this respect.
- It was important now to provide the necessary support to families, which provided a much needed focus which transcended ethnicity and generation.
- There was much to take forward in conjunction with partners of the Council, as a result of the Commission, and the findings would contribute to the next Youth Justice Plan.

A discussion followed during which the recommendations contained in the report of the Commission into the Public Safety of Young People, were welcomed, and additionally the following points made:

- Although the Community had come a long way in terms of its approach to young people, elders in the community often still had unwarranted perceptions of them. Young people were an asset enriching the community.
- Support provided to families would be critical in the achievement of the Commission's recommendations and the expeditious cascading of this to youth clubs at the front line of youth provision would be welcomed.
- A sensitive and appreciative approach to young people, on the part of the Metropolitan Police, would be needed as the warmer weather facilitated young people to remain outside. Much formalised gang activity was related to the economics of drug culture.
- The identification of Tower Hamlets as a low crime borough on the map of London Boroughs was to be celebrated.
- Consideration that the voices of young people, which had not come through strongly enough in early drafts of the Commission's report had now done so in the final version.

Mr Collins, Corporate Director Children's Services, at the request of the Chair, addressed the matters raised by the Overview and Scrutiny Committee, held on 7<sup>th</sup> April 2009, in relation to the report; as set out in the tabled sheet of questions and comments presented by the Chair of the Overview and Scrutiny Committee earlier in the proceedings.

The Chair, in **Moving** the recommendations, as set out in the report, formally thanked Mr Collins, Corporate Director Children's Services, and Ms Durkin, Service Head Youth and Community Learning, for their contribution and that of their Officer team in supporting the work of the Commission.

And it was:-

**Resolved:**

That the recommendations of the Commission into the Public Safety of Young People in Tower Hamlets, as set out in the report (CAB 141/089), be endorsed.

**8.2 Tower Hamlets Safeguarding Children's Board Annual Report 2008/9, Business Plan 2007/10, Summary of Lord Laming's report and outcome of Serious Case Review Evaluations (CAB 142/089)**

Mr Collins, Corporate Director Children's Services, at the request of the Chair, in introducing the report, summarised the salient points contained therein as follows:

- The Tower Hamlets Local Safeguarding Children's Board had been established in 2006 in response to legislation. As a result of its partnership approach to safeguarding children in Tower Hamlets, there had been full engagement with all stakeholders and the Board was considered to be a leader amongst the boards of London boroughs.
- The Board had last reported to Cabinet in 2007 and the associated business plan had been adhered to. The paper before the Cabinet contained a further annual report and business plan for consideration and approval. The recommended work plan had been the subject of wide ranging consultation and agreement with all appropriate partners and agencies.
- The report particularly focused on the implications for Tower Hamlets of the Baby P case, the recent report of Lord Laming following a further review of safeguarding arrangements, and the 4 serious case reviews undertaken by the Board since April 2007.
- The report also captured learning from the recent Joint Area Review and Corporate Area Assessment.
- The report recommended the appointment of an independent chair of the Board, chaired to date by Mr Collins, and also endorsement of the proposal that the Board should appoint an independent chair of any future serious case reviews. Although Lord Laming had been ambivalent in his recommendations in this regard, Mr Collins considered this approach to be sensible.
- A further report would contain proposals for supporting the training of Councillors in understanding both safeguarding issues and their associated role and responsibilities. He considered this key to management of the Authority's reputation in the community.
- The proposals contained in the report would build on the Authority's existing strong position on safeguarding children.

Councillor Hawkins, Lead Member Children's Services: \_

- Commented that safeguarding children was a fundamental duty of the authority.

- Paid tribute to the dedication, hard work, commitment of child social workers, and all involved in such social work: including the voluntary sector organisations and professional agencies such as the Metropolitan Police.
- Welcomed the stock take of Tower Hamlets Local Safeguarding Children's Board arrangements.
- Stated her support for the proposed independent chair of the Board and also of independent chairs appointed by the board for any serious case review.
- Formally thanked Mr Collins, Corporate Director Children's Services, and Ms Rambellas, former Service Head Children's Social Care, for their contribution to the Board's activities, and also the review into safeguarding arrangements; commenting that solid judgements had resulted in the strong position of the Authority to date in this area.
- Emphasised the importance of continued partner working in this area.
- Stated her support for the training of Councillors in safeguarding in order that such work could be properly scrutinised and robustly challenged.
- Commended the proposals contained in the report to members of the Cabinet.

A discussion followed during which the proposals contained in the report were welcomed, and which focused on the following points:-

- What provision existed for the continued review and refreshing of policy in this area and in particular that relating to support of families, where orthodoxy appeared to ebb and flow.
- Consideration that there were positives and negatives in the amalgamation of children's Education and Social Services in response to the first report of Lord Laming, but little value in revisiting these given the impetus of the current arrangements.
- The elements needed to create a relentless and reliable system over time that safeguarded children, and the need for continued focus on the principle that the best life chances for children came from an upbringing in a loving family unit and therefore the Authority's provision of support for that.
- Consideration that the arguments were not entirely persuasive for the appointment of an independent chair of the LSCB and there were disadvantages to this; but also recognition that the exposure of the Authority must be minimised. It was stated that there was value in the way Tower Hamlets undertook the safeguarding of children and that the professionals in the field sometimes needed to resist pressures from politicians in Government.
- The proposals for the training of Councillors were welcomed.
- Consideration that the proposed structures would result in the clear political oversight of safeguarding children found to be absent in the London Borough of Haringey.
- The importance of recruiting a skilled workforce in this field.

The Chair **Moved** the recommendations as set out in the report and it was: -



**Resolved:**

1. That the contents of the Tower Hamlets Local Safeguarding Children's Board (LSCB) annual report and business plan and outcomes arising from LSCB 'stocktake', be noted;
2. That the summary of Lord Laming's report be noted;
3. That the appointment of an independent chair of the LSCB be agreed;
4. That it be noted that the appointment, referred to in resolution 3 above, will be made by the Director of Children's Services after consultation with the Authority's Board partners;
5. That it be agreed that the Authority should support appointment of an independent chair by the LSCB for any future serious case reviews;
6. That it be noted that a further report will be provided in relation to the full implementation of any changes arising from Government's response to Lord Laming's report. This will include proposals to support elected councillors in developing a greater understanding of the issues relating to safeguarding and their role and responsibilities in this area; and
7. That the outcome of the Ofsted evaluations of Serious Case Reviews undertaken in 2007/08, be noted;

**9. A HEALTHY COMMUNITY**

The Clerk advised that there were no business to be considered under this section of the agenda.

**10. ONE TOWER HAMLETS****10.1 Age, Race, Religion/Belief and Sexual Orientation Equality Schemes 2009-2012 (CAB 143/089)**

Mr Keating, Service Head Scrutiny and Equalities, at the request of the Chair, in introducing the report, summarised the salient points contained therein, highlighting in particular:

- The proposed equality schemes consolidated a range of work that was already in place but had been ambitiously refreshed to ensure Tower Hamlets remained at the cutting edge of diversity and equality practice in Local Government. The refresh had facilitated an adult debate in spite of some potential challenges such as the relationship between faith and sexual orientation.
- Strong performance in this area was vital to continued excellence in the Comprehensive Area Agreement, as the achievement of One Tower Hamlets was central to the Community Plan

- Table 1 detailed at page 4 of the report which set out the key priorities to address inequality across the equality strands.
- The emphasis on partnership working and workforce to reflect the community articulated in the schemes.
- The articulation within the schemes of how activities meshed with Council priorities and also how to take the work forward in terms of corporate activities.
- Recognition that some information was not as sophisticated as it could be and consequently each scheme had an associated action plan based on Community Plan themes.

A discussion followed, during which the proposed equality schemes were broadly welcomed, and which focused on the following points:-

- How to ensure an effective dress code was in place which could address issues related to dress dictated by faith, for example Muslim women wearing the niqab.
- Negatives, positives and rationale with regard to terminology in the equality schemes being specific in respect of ethnicity, for example Bangladeshi and Somali rather than BME.

Councillor Islam, Deputy Leader of the Council:-

- Formally thanked Mr Keating, Service Head Scrutiny and Equalities and his Officer team for their dedication and hard work in producing the 6 Equality Schemes.
- Commented that equality was a key driver for the Authority and underpinned all its activities and everyone connected with the Authority had a responsibility to strive to achieve this. The proposed Equality Schemes articulated what the Council and its partners needed to deliver to achieve the high aspiration of 'One Tower Hamlets', which was about reducing inequalities and poverty, strengthening cohesion and making sure communities in Tower Hamlets continued to live well together.
- Noted that 2009 marked the tenth anniversary of the publication of the Stephen Lawrence report - a significant landmark in the history of how the public sector dealt with issues of equality and the initiation of the Authority's legal duties to promote equality.
- Commented that the Authority had come a long way since those first duties came in to force both in terms of equality outcomes we achieved across the 6 equality strands, and confidence and capacity to tackle inequality. The next significant landmark would be the Single Equality Bill, which would overhaul and replace current equality legislation and present new challenges.
- Considered that the proposed Equality Schemes would further enhance the Authority's capacity to respond to the requirements of the Single Equality Bill, and meet the big challenges in terms of inequality that Tower Hamlets continued to face.

The Chair **Moved** the recommendations as set out in the report and it was: -

**Resolved:**

That the Age, Race, Religion/Belief and Sexual Orientation Equality Schemes 2009-12, as set out in Appendix 1 of the report (CAB 143/089), be agreed.

## **10.2 Annual Report on the Workforce to Reflect the Community Strategy and Progression of Under-Represented Groups in the Council (CAB 144/089) - To Follow**

The Chair informed members of the Cabinet that the Joint Director of Human Resources had **Tabled** an errata sheet containing an amendment to Table 8 detailed on page 12 of Appendix 1 to the report, a copy of which would be interleaved with the minutes.

Ms Clarke, Joint Director of Human Resources, at the request of the Chair, in introducing the report, summarised the salient points contained therein, informing members of the Cabinet that:

- This report was linked to the report previously considered “Age, Race, Religion/Belief and Sexual Orientation Equality Schemes 2009-12”.
- The Workforce to Reflect the Community Strategy was key for the Authority and like any good strategy was a live document and constantly updated/ refreshed.
- This report focussed primarily on the 3 areas below and future activities would focus on these priorities:
  - Increasing the number of BME/disabled senior managers
  - Increasing the number of disabled people generally
  - Increasing the number of Bangladeshi employees generally and at senior levels
- For the first time an analysis of the workforce in each Directorate was detailed, together with targets for training and positive action schemes aimed at achieving a step change in performance.
- It was also important to recognise the successes to date:
  - Nearly half of the Authority’s employees were BME which placed it at the top of performance the performance league for all 432 local authorities.
  - Half of the Authority’s employees aged under 30 were Bangladeshi.

A discussion followed, during which the proposed strategy was broadly welcomed, and which focused on the following points:-

- Ms Clarke, Joint Director of Resources and her Officer team, were formally thanked for their hard work in developing the proposals.
- Councillor Rahman, Leader of the Council, and Councillor Islam, Deputy Leader of the Council were thanked for their commitment and leadership in progressing delivery of the objectives of the Administration relating to Workforce to Reflect the Community.
- With reference to paragraph 3.3 bullet point 2 clarification sought and given with regard to equality of opportunity in workforce progression. Noted that the Corporate Equality Steering Group would be examining this in detail in the near future.

- With reference to Appendix 1, page 3, bullet point 10 [agency staff not reflective of community they serve] commented that in Children's Services more than 50% of the workforce were agency staff and consideration that this area merited further Council-wide examination, and an analysis of agency staff was required before the issue could be addressed.
- Clarification sought and given with regard to Workforce to Reflect the Community targets and activities beyond 2010.
- Negatives, positives and rationale with regard to terminology being specific in respect of ethnicity, for example Bangladeshi rather than BME.
- Noted the recent improvement in the representation of BME communities at Corporate Management Team and consideration that this was reflective of the Authority's determination to ensure a Workforce to Reflect the Community.
- Consideration that further analysis of the composition of the workforce by Directorate was required; also detail as to the representation of the Somali community at all levels of the workforce. Noted the assurance of Ms Clarke, Joint Director of HR that further work would be undertaken to ascertain the Somali profile in the workforce.
- With reference to Appendix 1, page 11, Table 7 [Ethnicity Table of Agency Staffing] consideration that an additional categorisation for the Somali community was required. Noted also that the table indicated that approximately 10% of agency staff were from the Bangladeshi community, which was not reflective of the community they served. Noted that agency recruitment was often not based in Tower Hamlets. Noted that agencies undertook monitoring of the temporary workforce for the Council, but had not to date monitored Somali representation. Also noted that future WRC targets would be set to ensure agency staff were reflective of the community and also the assurance of Ms Clarke, Joint Director of HR that she would review agency arrangements for workforce monitoring and that joint working between agencies and Job Centre Plus to identify appropriate BME candidates for temporary jobs was intended.
- With reference to Appendix 1, page 12, Table 8 [representation by ethnicity at each grade] clarification sought and given as to how the Authority intended to improve BME representation above PO! Grade. Clarification sought and given with regard to positive action re shadowing, mentoring and acting up. The Chair considered that it would be helpful for a policy to be brought forward in relation to the encouragement of BME staff to take up opportunities to act up into vacancies at a higher grade.

Councillor Islam, Deputy Leader of the Council:-

- Commented that the Workforce to Reflect the Community like any good strategy should not sit on the shelf but be a live document, constantly updated and refreshed.
- Acknowledged the points raised in the discussion.
- Noted significant progress to date on WRC and in particular increased BME representation in the Corporate Management Team. Also noted

the many mechanisms already in place to progress WRC: shadowing and mentoring arrangements, Aspiring Leaders Programme, positive action social worker scheme; and indicated that it was intended to continue these and roll out such initiatives across Tower Hamlets but also in the Primary Care Trust and schools.

The Chair **Moved** the recommendations as set out in the report and it was: -

**Resolved:**

1. That the performance of the Authority on its Workforce to Reflect the Community Strategy, be noted; and
2. That the Workforce to Reflect the Community Strategy 2009/2010 and associated Action Plan, set out in Appendix 1 to the report (CAB 144/089), be agreed.

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

**11.1 Housing Revenue Account Amended Rent Setting Report 2009/10 (CAB 145/089)**

**Councillor S. Islam** declared a personal interest in Agenda item 11.1 Housing Revenue Account Amended Rent Setting Report 2009/10” (CAB 138/089). The declaration of interest was made on the basis that the report contained recommendations relating to the level of housing rent for properties in the ownership of the Authority (managed by Tower Hamlets Homes also known as the ALMO) and Councillor Islam was a tenant of Tower Hamlets Homes.

**Councillor O Ahmed** declared a personal interest in Agenda item 11.1 Housing Revenue Account Amended Rent Setting Report 2009/10” (CAB 138/089). The declaration of interest was made on the basis that the report contained recommendations relating to the level of housing rent for properties in the ownership of the Authority (managed by Tower Hamlets Homes also known as the ALMO) and Councillor Ahmed was a representative of the Authority on the governing body of Tower Hamlets Homes.

The Chair informed members of the Cabinet that the special circumstances and reasons for urgency associated with the proposals were detailed on the front page of the report. The Cabinet subsequently agreed the special circumstances and reasons for urgency as set out on the front page of the report and also set out below:

- On 6<sup>th</sup> March 2009, the Minister of State for Housing and Planning announced that she intended to reduce the national average guideline rent increase as a consequence of the “unprecedented global downturn in the economy.”

- On the 26<sup>th</sup> March 2009, Communities and Local Government (DCLG) published a consultation document setting out its proposals for amending Housing Subsidy Determination 2009/10. The consultation document invites Local Authorities to bid for additional subsidy if they are prepared to reduce their actual rent increase to 3.1% or less. Authorities wishing to take up the offer must notify the Department of Communities & Local Government by Friday 24<sup>th</sup> April, 2009. Members consideration of the Minister of State's offer is therefore urgently required in order satisfy this requirement.
- The report was unavailable for public inspection within the standard timescales set out in the Authority's constitution for the reasons set out above.
- The report has been completed prior to the issue of the Department of Communities and Local Government's final amended Subsidy Determinations. The figures within the report are based on an assessment of the implications contained within the consultation document published on the 26<sup>th</sup> March 2009. Any significant changes between the draft and final determinations could have a major impact upon the Housing Revenue Account. Members will be notified of any significant changes.
- If the Council fails to indicate a wish to pass on reduced rent increases to tenants, then the guideline rent increase will remain unaltered from that notified in December, and no additional subsidy will be made available.

Councillor Francis, Lead Member Housing and Development, in introducing the report, summarised the salient points contained therein commenting that:

- Cabinet had considered a report in January 2009 in relation to the setting of a housing rent level for properties in the ownership of the Authority. At the time, Government had issued a national guideline that rent increase by 6.2%. However after taking advice and deliberating the matter Cabinet had considered that a lower rent increase was appropriate and had approved an average rent increase of 5.5% approximately £4.50 per week for a household. This would have resulted in a £320,000 deficit in the Housing Revenue Account, which the Authority had intended to mitigate through efficiencies and drawing down reserves.
- He had sought support from Cabinet for the lobbying of Government to change their guidance relating to rent increases, because it had been calculated on the basis of historic level of inflation which was much higher than was actually the case in January. Ministers had now bowed to national pressure and 3 weeks previously had revised their guideline rent increase to 3.1% and had also made available additional subsidy to facilitate implementation of this by local authorities.
- To reflect the change in Government guidance the report proposed that Cabinet now approve a revised average weekly rent increase of £2.80 per week equating to 2.9% in 2009/10.
- The average rent increase for Registered Social Landlords in 2009/10 had been 7 to 8% three times higher than that now proposed for homes owned by Tower Hamlets. He considered that RSL's should be lobbied

further to reduce their rent increases in line with Government guidance, so that their tenants also benefitted.

- There remained the option for the Authority to allocate additional resources to effect an even lower rent increase. However he considered that this would divert resources which could otherwise be invested in estates for example the Estate Improvement Programme encompassing the block cleaning programme (or deep clean of estates), when the proposed rent increase was manageable.
- Letters had been issued to tenants indicating the rent level would not be set, because the Council was awaiting details of the permitted levels of rent increase from Government. However if Cabinet approved the proposal in the report letters would be issued to tenants in week beginning 13 April 2009 giving notification of the rent increase in 2009/10.
- Urged members to continue to support the lobbying of Government for lower increases in housing rent in future and ultimately an end to the annual rent review system.

Members of the Cabinet commended Councillor Francis, Lead Member Housing and Development, for his clarity of vision, dedication and hard work in the delivery of the Administration's aspirations relating to housing and delivering for vulnerable elements of the Community in a time of recession.

Clarification was sought and given as to how the Authority could work in partnership to achieve a low rent increase for tenants of RSL's.

The Chair, in **Moving** the recommendations, as set out in the report:

- Formally thanked Mr Holme, Service Head Resources Development and Renewal, and his Officer Team for their efforts in developing the revised proposals.
- Welcomed the lower rent increase proposed commenting that this would assist many local residents a great deal in coping with the impact of the severe economic downturn.

And it was:-

**Resolved:**

1. That in accordance with the requirements of the Department of Communities and Local Government's guidance, it be agreed that it was the Authority's intention to pass on the reduced rent increases to tenants; and it also be agreed that the Authority wished to take up the offer of the receipt of additional HRA Subsidy, in order to do this.
2. That the decision of the Cabinet, taken at its meeting held on 14<sup>th</sup> January 2009 [in relation to Agenda item 10.4 "Housing Revenue Account - First Budget and Rent Setting Report - 2009/10 (CAB 097/089)] to increase rents by a weekly average of £4.47, from the first rent week in April 2009, not be implemented;

3. That the 2009/10 rent increase be deferred until rent week 9 (which begins on 1 June 2009) in order to facilitate the introduction of the lower rent increase [referred to in resolution 1. above];
4. That the Corporate Director, Development & Renewal be authorised to bid for additional subsidy following the decision to lower the average rent increase in 2009/10 to equal or lower than 3.1%;
5. Subject to the subsidy referred to in resolution 4. above being secured, that an average weekly rent increase of £2.80 per week with effect from the 1<sup>st</sup> June 2009 (i.e. rent week 9) be agreed. Also that it be noted that In conjunction with resolution 3 above, this would equate to an average rent increase of 2.9% over a full year if implemented from 1<sup>st</sup> April 2009;
6. That the Corporate Director, Development & Renewal, after consultation with the Lead Member for Housing and Development, be authorised to implement the rent increase, referred to in resolution 5. above, having regard to the final Government settlement of Housing Subsidy with such variation as that may require; and
7. That the amended 2009/10 Housing Revenue Account Budget, as set out in Appendix 1 to the report (CAB 145/089), be approved.

## **12. UNRESTRICTED REPORTS FOR INFORMATION**

The Clerk advised that there were no business to be considered under this section of the agenda.

## **13. EXCLUSION OF THE PRESS AND PUBLIC**

The agenda circulated contained no Section Two business (business containing information defined as exempt or confidential in Part 1 of Schedule 12A to the Local Government, Act 1972. There was therefore no requirement to exclude the press and public, under the provisions of Section 100A of the Local Government Act 1972, as amended by the Local Government (Access to Information) Act 1985, to allow for consideration of such business prior to the conclusion of the meeting.

## **14. EXEMPT / CONFIDENTIAL MINUTES**

Nil Items.

## **15. OVERVIEW & SCRUTINY COMMITTEE**

### **15.1 Chair's advice of Key Issues or Questions in relation to Exempt / Confidential Business to be considered.**

Nil Items.



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

Nil Items.

**16. A GREAT PLACE TO LIVE**

Nil Items.

**17. A PROSPEROUS COMMUNITY**

Nil Items.

**18. A SAFE AND SUPPORTIVE COMMUNITY**

Nil Items.

**19. A HEALTHY COMMUNITY**

Nil Items.

**20. ONE TOWER HAMLETS**

Nil Items.

**21. ANY OTHER EXEMPT/ CONFIDENTIAL BUSINESS CONSIDERED TO BE URGENT**

Nil Items.

**22. EXEMPT / CONFIDENTIAL REPORTS FOR INFORMATION**

Nil items.

The meeting ended at 7.15 p.m.

Chair, Councillor Lutfur Rahman  
Cabinet

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# Annual Audit and Inspection Letter

London Borough of Tower Hamlets

Audit 2007/08

March 2009



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## Status of our reports

The Statement of Responsibilities of Auditors and Audited Bodies issued by the Audit Commission explains the respective responsibilities of auditors and of the audited body. Reports prepared by appointed auditors are addressed to non-executive directors/members or officers. They are prepared for the sole use of the audited body. Auditors accept no responsibility to:

- any director/member or officer in their individual capacity; or
- any third party.

# Key messages

- 1 The main messages for the Council included in this report are as follows.
  - The Council is a four star authority and is improving well.
  - The Council was adjudged to be performing strongly in its corporate assessment.
  - Your auditor issued an unqualified opinion on the Council's 2007/08 accounts. Although he was pleased with the improved quality of the working papers supporting the financial statements, he was concerned that there were still a number of significant errors.
  - The Council maintained its overall score of 3 (out of 4) in its use of resources.

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## Action needed by the Council

- 2 The Council should:
  - ensure that the financial statements are subjected to a detailed quality review before they are submitted to audit and the Audit Committee;
  - build further on recent improvements in the levels of waste recycling and the quality of waste management; and
  - maintain efforts to achieve the Decent Homes standard.

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# Purpose, responsibilities and scope

- 3 This report provides an overall summary of the Audit Commission's assessment of the Council. It draws on the most recent Comprehensive Performance Assessment (CPA), the findings and conclusions from the audit of the Council for 2007/08 and from any inspections undertaken since the last Annual Audit and Inspection Letter.
- 4 I have addressed this letter to members as it is the responsibility of the Council to ensure that proper arrangements are in place for the conduct of its business and that it safeguards and properly accounts for public money. I have made recommendations to assist the Council in meeting its responsibilities.
- 5 This letter also communicates the significant issues to key external stakeholders, including members of the public. We will publish this letter on the Audit Commission website at [www.audit-commission.gov.uk](http://www.audit-commission.gov.uk). In addition the Council is planning to publish it on its website.
- 6 As your appointed auditor, Jon Hayes was responsible for planning and carrying out an audit that meets the requirements of the Audit Commission's Code of Audit Practice (the Code). Under the Code, he reviewed and reported on:
  - the Council's accounts;
  - whether the Council has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources (value for money conclusion); and
  - whether the Council's best value performance plan has been prepared and published in line with legislation and statutory guidance.
- 7 This letter includes the latest assessment on the Council's performance under the CPA framework, including our Direction of Travel report and the results of any inspections carried out by the Audit Commission under section 10 of the Local Government Act 1999. It summarises the key issues arising from the CPA and any such inspections. Inspection reports are issued in accordance with the Audit Commission's duty under section 13 of the 1999 Act.
- 8 I have listed the reports issued to the Council relating to 2007/08 audit and inspection work at the end of this letter.

# How is Tower Hamlets Council performing?

- 9 The Audit Commission’s overall judgement is that Tower Hamlets Council is improving well and we have classified Tower Hamlets Council as four-star in its current level of performance under the Comprehensive Performance Assessment. These assessments have been completed in all single tier and county councils with the following results.

**Figure 1 Overall performance of councils in CPA**



Source: Audit Commission (percentage figures may not add up to 100 per cent due to rounding)

Our overall assessment - the CPA scorecard

**Table 1 CPA scorecard**

Element	Assessment
Direction of Travel judgement	Improving well
<b>Overall</b>	<b>Four star</b>
Corporate assessment	4 out of 4
Current performance	
Children and young people*	4 out of 4
Social care (adults)*	4 out of 4
Use of resources*	3 out of 4
Housing	3 out of 4
Environment	3 out of 4
Culture	3 out of 4
Benefits	4 out of 4

(Note: \* these aspects have a greater influence on the overall CPA score)  
(1 = lowest, 4 = highest)

**The improvement since last year - our Direction of Travel report**

- 10 Tower Hamlets Council is improving well. On a broad basket of indicators, performance is improving at a similar rate to national averages, with higher results in most priority areas. Children’s services, adult social care and housing benefit administration have maintained excellent performance ratings.
- 11 Highly effective partnership working continues to significantly reduce crime and the fear of crime, support local businesses, and improve local employment and access to health services. Investment in leisure centres, parks and open spaces has helped to increase residents’ satisfaction. More people from a wider range of backgrounds are now enjoying the facilities.
- 12 Performance in recycling and cleanliness has compared unfavourably until quite recently, but efforts are starting to have an impact. Despite improvements in the majority of housing indicators, achievement of the decent homes standard remains a significant challenge. Progress is being made, and there are good plans to improve further in the future.



## How is Tower Hamlets Council performing?

- 13 Value for money remains good, and slightly more residents are now recognising this from their perspective. Good planning and monitoring processes ensure a strong focus on sustained improvement.
- 14 A corporate assessment of Tower Hamlets Council was carried out in 2008. Corporate assessments are carried out by the Audit Commission as part its duty under section 99 of the Local Government Act 2003 to make an assessment and report on the performance of local authorities. The purpose of the corporate assessment is to assess how well the Council engages with and leads its communities, delivers community priorities in partnership with others, and ensures continuous improvement across the range of Council activities.
- 15 Overall, Tower Hamlets Council was assessed as performing strongly (the highest possible score). The Council was assessed as having challenging ambitions for its diverse communities, a sustained focus on service delivery and exceptional partnership working. As a result of this, it achieved significant and continuous improvements in performance. Ambition, prioritisation and performance management were all assessed in the report as level 4 (out of 4).
- 16 The Council was found to have a clear ambition of what it wants to achieve for local people, and is strongly focused on improving their quality of life. It has a detailed knowledge of the needs of the borough's diverse communities, and its view of diversity is broad and comprehensive. The Council's ambitions are based on a strong desire to reduce social and economic inequalities, which are stark within the borough.
- 17 Partnership working was found to be one of the borough's greatest strengths and this works formally through the Tower Hamlets Partnership and informally through strong relationships with all stakeholders.
- 18 The Council was found to be well led both by councillors and senior officers, and performance is good in most service areas including children's services, adult social care and community safety. However, the Council accepts that until recently, it has not given sufficient attention to recycling and waste management, and that it has not done enough to promote environmental sustainability though efforts are now starting to have an impact.

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## Other Inspectorates and Regulators

- 19 An important aspect of the role of the Comprehensive Area Assessment Lead (CAALs) is to work with other inspectorates and regulators who also review and report on the Council's performance. CAALs share information and seek to provide 'joined up' regulation to the Council. During the last year the Council has received the following assessments from other inspectorates.

### Ofsted

- 20 Ofsted has assessed the Council's services for children and young people as level 4 (out of 4). This means that the Council consistently delivers outstanding services for children and young people. Ofsted found that the Council has continued to improve upon its performance in most areas of its work, and that very good progress has been made in addressing the recommendations made in the previous year's assessment.

- 21** Among many others, key strengths include very effective promotion of healthy lifestyles across a diverse community, an excellent multi-agency approach keeping children safe, including pioneering work in faith and ethnic communities, and a very successful school improvement service which has resulted in a high proportion of schools judged good or better in inspections. The one key area in which improvement is required is in the proportion of students achieving five good GCSE passes including English and Mathematics, which is below the national average. However, the rate of improvement in GCSE passes is now amongst the best in the country and the gap between Tower Hamlets and the national average is closing fast.

### Commission for Social Care Inspection

- 22** The Council's services for adult social care have been given a rating of three stars (out of 3) by CSCI. The services have been assessed as delivering excellent outcomes with equally excellent capacity to improve. In terms of delivering outcomes, the Council was assessed as excellent on all bar one of the seven areas for judgement.
- 23** Key strengths include strong senior management leadership and political support, a stable workforce with low staff turnover, vacancies and sickness absence, and effective partnership working with the PCT.

# The audit of the accounts and value for money

- 24** Your appointed auditor has reported separately to the Audit Committee on the issues arising from our 2007/08 audit and has issued:
- the audit report, providing an unqualified opinion on your financial statements and the pension fund on 30 September 2008;
  - a conclusion on your vfm arrangements to say that these arrangements are adequate on 30 September 2008; and
  - a report on the 2007/08 Best Value Performance Plan confirming that the Plan has been audited.

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## Use of Resources

- 25** The findings of the auditor are an important component of the CPA framework described above. In particular, the Use of Resources score is derived from the assessments made by the auditor in the following areas.
- Financial reporting (including the preparation of the accounts of the Council and the way these are presented to the public).
  - Financial management (including how the financial management is integrated with strategy to support council priorities).
  - Financial standing (including the strength of the Council's financial position).
  - Internal control (including how effectively the Council maintains proper stewardship and control of its finances).
  - Value for money (including an assessment of how well the Council balances the costs and quality of its services).
- 26** For the purposes of the CPA the Council's arrangements for use of resources in these five areas were assessed as follows.

**Table 2 Use of Resources assessments**

<b>Element</b>	<b>Assessment</b>
Financial reporting	2 out of 4
Financial management	3 out of 4
Financial standing	3 out of 4
Internal control	3 out of 4
Value for money	3 out of 4
<b>Overall assessment of the Audit Commission</b>	<b>3 out of 4</b>

Note: 1 = lowest, 4 = highest

### The key issues arising from the audit

#### Accounts

- 27 The Council produced a complete set of draft financial statements within the deadline. While overall the quality of the working papers supporting the financial statements had improved, a number of significant errors were identified relating to the cash flow statement, internal debtors and estimates for service charges which the Council adjusted.

#### Value for money

- 28 The Council's arrangements for securing economy, efficiency and effectiveness in its use of resources were reviewed against 12 criteria specified by the Audit Commission. The Council was assessed as having adequate arrangements in place for all 12 areas.

#### Use of resources

- 29 This year's assessment introduced challenging new criteria, most notably in reporting to the public, asset management and probity and propriety. The Council responded positively to these new criteria and continued to develop and embed its existing arrangements and the Council maintained its overall assessment of level 3. While the theme score for financial standing fell to a 3 as a result of there being no specific notable practice in this area this year (a requirement for a score of 4), other areas improved, although the overall theme scores remained the same. Key areas strengthened included financial reporting, where the value of errors identified in the draft financial statements decreased, financial management, with the introduction of the rolling three year budget and asset management, with progress made on the implementation of the asset database which will include data on asset values, efficiency and running costs.

## The audit of the accounts and value for money

30 Key areas for the Council to focus on in the future include:

- strengthening the processes for preparing the financial statements to allow sufficient time for a detailed quality review prior to them being submitted to audit and the Audit Committee; and
- obtaining assurance, on a risk basis, of the viability of its significant contractors' and partners' business continuity plans.

### Data quality

- 31 The Council's overall management arrangements for ensuring data quality were reviewed and found to be consistently above the minimum requirements. Responsibility for data quality is clearly defined at all levels and the Data Quality Policy has been refreshed during 2008. Arrangements are in place to review the effectiveness of controls over data quality and these are undertaken regularly, although the monitoring of data from partnerships could be strengthened.
- 32 Detailed spot checks were performed on four performance indicators published by the Council. One of the indicators selected required amendment to ensure that it was fairly stated and on the two relating to housing benefit we found some minor data inputting errors, although this did not affect the overall figures published.

### Review of procurement -stage 1

- 33 As part of the local Use of Resources work, a high level overview of the Council's corporate procurement arrangements was undertaken. The findings showed that the Council is working to improve the effectiveness of procurement although it is acknowledged that the plans are ambitious and challenging and that a great deal of work will be needed to implement and embed them. Officers have a good understanding of what they need to do to achieve this and are aware of the main risks.

### National Fraud Initiative

- 34 The Audit Commission's National Fraud Initiative (NFI) is a data matching exercise that has been run every two years since 1996 and, to date, has been used to identify fraud and overpayments totalling nearly £450 million. The Council has been proactive in reviewing the output from NFI with internal audit co-ordinating the follow-up of matches and has identified a number of frauds over the years. The Council has complied with the timetable for submitting data for the 2008/09 exercise and is due to receive the data shortly.

### Grants

- 35 This year, the Council had 11 grant claims and returns that required certification, compared to 13 in 2006/07. The estimated audit fee for this work is £106,000, compared to £94,000 in 2006/07. There were no significant issues identified.

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## Looking ahead

- 36** The public service inspectorates have developed a new performance assessment framework, the Comprehensive Area Assessment (CAA). CAA will provide the first holistic independent assessment of the prospects for local areas and the quality of life for people living there. It will put the experience of citizens, people who use services and local tax payers at the centre of the new local assessment framework, with a particular focus on the needs of those whose circumstances make them vulnerable. It will recognise the importance of effective local partnership working, the enhanced role of Sustainable Communities Strategies and Local Area Agreements and the importance of councils in leading and shaping the communities they serve.
- 37** CAA will result in reduced levels of inspection and better coordination of inspection activity. The key components of CAA will be a joint inspectorate area assessment and reporting performance on the new national indicator set, together with an organisational assessment which will combine the external auditor's assessment of value for money in the use of resources with a joint inspectorate assessment of service performance.
- 38** The first results of our work on CAA will be published in the autumn of 2009. This will include the performance data from 2008/09, the first year of the new National Indicator Set and key aspects of each area's Local Area Agreement.

# Closing remarks

- 39 This letter has been discussed and agreed with the Chief Executive and Director of Resources. A copy of the letter will be presented at the Audit Committee on 31 March 2009. The Council will need to provide copies of the letter to all Council members.
- 40 Further detailed findings, conclusions and recommendations on the areas covered by audit and inspection work are included in the reports issued to the Council during the year.

**Table 3 Reports issued**

Report	Date of issue
Audit and inspection plan for 2008/09	April 2008
Corporate Assessment	July 2008
Annual Governance Report	September 2008
Opinion on financial statements	September 2008
Value for money conclusion	September 2008
Certificate on the WGA consolidation pack	September 2008
Opinion memorandum	December 2008
Use of resources report	December 2008
Review of procurement - stage 1.	December 2008
Data quality report	January 2009
Grant report	February 2009
Annual audit and inspection letter	March 2009

- 41 The Council has taken a positive and constructive approach to audit and inspection work, and I wish to thank the Council's staff for their support and cooperation during the year.

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**Availability of this letter**

- 42 This letter will be published on the Audit Commission's website at [www.audit-commission.gov.uk](http://www.audit-commission.gov.uk), and also on the Council's website.

**Adewale Kadiri**  
**Comprehensive Area Assessment Lead**

27 March 2009



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# The Audit Commission

The Audit Commission is an independent watchdog, driving economy, efficiency and effectiveness in local public services to deliver better outcomes for everyone.

Our work across local government, health, housing, community safety and fire and rescue services means that we have a unique perspective. We promote value for money for taxpayers, auditing the £200 billion spent by 11,000 local public bodies.

As a force for improvement, we work in partnership to assess local public services and make practical recommendations for promoting a better quality of life for local people.

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# Agenda Item 8.1

<b>Committee:</b> Cabinet	<b>Date:</b> 6 May 2009	<b>Classification:</b> Unrestricted	<b>Report No:</b>	<b>Agenda Item:</b>
<b>Report of:</b> Corporate Director Children's Services  <b>Originating officer(s)</b> Layla Richards - Service Manager Partnerships and Equality		<b>Title:</b> Child Poverty Strategy  <b>Wards Affected:</b> All		

## 1. SUMMARY

- 1.1 This report presents Tower Hamlets' first child poverty strategy reflecting the importance attached to tackling child poverty in the Community Plan and our new three year Children and Young People's Plan. The strategy and action plan can be found at [Appendix 1](#).
- 1.2 In Tower Hamlets child poverty is everyone's business and it can only really be tackled through actively engaging key partners. The development of the cross-cutting strategy and action plan has therefore taken place with a range of services across the Council and with partner agencies in the Tower Hamlets Partnership.
- 1.3 There has been a particular focus on the strategy's development through the Achieve Economic Wellbeing theme group of the Children and Families Trust (formerly known as the Children and Young People's Strategic Partnership Group). This group brings together partners from a range of organisations and will be responsible for monitoring progress against the strategy. This group is accountable to the Children and Families Trust, one of the borough's five Community Plan Delivery Groups (CPDGs).

## 2. RECOMMENDATIONS

### **Cabinet is recommended to:-**

- 2.1 Agree the Child Poverty Strategy attached at Appendix 1.

### **3. BACKGROUND**

- 3.1 There is commitment - both nationally and locally – to preventing and tackling child poverty and there are a number of things happening at national, regional and local level to help put an end to child poverty.
- 3.2 Nationally, the government has set targets for halving child poverty by 2010 and eradicating it by 2020. The government has also recently consulted on a Child Poverty Bill, which it is expected will be passed in summer 2009, and will cement in legislation the government's commitment to eradicate child poverty.
- 3.3 Reflecting national commitment to this agenda, preventing and tackling child poverty was selected as a theme for the latest round of the Beacon Scheme. Tower Hamlets was one of three local authorities across the country to be awarded Beacon status for this theme.
- 3.4 At a regional level, the London Child Poverty Commission has been introduced and the Child Poverty Pledge launched to reduce levels of child poverty in London.
- 3.5 Locally, we have made tackling child poverty everyone's business. A commitment has been made through the Community Plan and aspiration of One Tower Hamlets to reduce the inequalities and poverty that exist within the borough. We have also included the national indicator for child poverty in our Local Area Agreement (LAA).
- 3.6 Our new three year Children and Young People's Plan has identified tackling child poverty as one of its three cross-cutting priorities and interventions which will both tackle and mitigate the effects of child poverty cut across the Every Child Matters themes of the plan.
- 3.7 Alongside this there is cross-party commitment amongst Tower Hamlets' Elected Members and for the past six months Scrutiny Members have been undertaking a review to explore how they can contribute to the achievement of One Tower Hamlets by focusing on the issue of child poverty.

### **4. BODY OF REPORT**

- 4.1 Tower Hamlets has the highest levels of child poverty in the country according to a number of measures. According to latest available figures, over 66% of children in Tower Hamlets live in families earning less than 60% of the national median income – this is national indicator measurement for child poverty.
- 4.2 The recent Beacon award is recognition of the considerable progress made to date in both breaking the cycle of deprivation and mitigating the effects of poverty for children and families. The award presents an exciting opportunity to

work alongside the two other Beacons, Cornwall and Newcastle, to learn from their approaches and to work closely with government, in particular the joint Department for Children, Schools and Families (DCSF) and Department for Work and Pensions (DWP) Child Poverty Unit.

### *Developing the strategy*

- 4.3 The strategy and actions have been developed with cross-Directorate and partner input. The Achieve Economic Wellbeing theme group of the Children and Families Trust has been particularly involved in its development.
- 4.4 The process of developing the strategy has enabled us to review the interventions already in place and where we should be doing more to tackle child poverty.
- 4.5 We have developed a strategic framework for thinking about child poverty. It is structured around four key priorities:
  - Removing barriers to work
  - Developing pathways to success
  - Breaking the cycle of poverty
  - Mitigating the effects of poverty
- 4.6 This framework has been helpful for making child poverty everyone's business and identifying the range of factors that impact on and contribute to tackling child poverty.
- 4.7 The development of the strategy has taken place alongside a six month Scrutiny Review led by the One Tower Hamlets Scrutiny Lead. The strategy responds to relevant recommendations from the Review.
- 4.8 The strategy does not attempt to cover everything that we will do to tackle child poverty, but instead focuses on the new activities, building on existing provision, where we feel the Partnership can have the most impact. It also recognises that there is only so much we can do locally and that government can play a crucial role in preventing and tackling child poverty.
- 4.9 A number of the activities derive from the successful Working Neighbourhoods Fund (WNF) proposals. The objective of WNF is to tackle worklessness and low levels of skills and enterprise in the most deprived areas. Interventions put forward for funding, particularly those in the *Family Focused Engagement* programme stream, will therefore have a direct impact on reducing child poverty.

### *Delivering the strategy and monitoring progress*

- 4.10 Child poverty is a cross-cutting issue and tackling it requires a concerted partnership approach. The strategy will therefore be delivered through the framework of the Tower Hamlets Partnership.
- 4.11 Overall accountability for our LAA child poverty targets and our child poverty strategy sit with our Children and Families Trust. However, it will be the Achieve Economic Wellbeing theme group, which brings together partners from a range of agencies including the Council, Tower Hamlets College, our Education Business Partnership and the Learning and Skills Council, which will be responsible for monitoring and reviewing progress against the strategy.
- 4.12 While overall accountability sits with the Children and Families Trust, the Prosperous Community CPDG clearly plays a key role in this agenda – this group is responsible for the LAA targets around employment and worklessness.

### *Launching the strategy*

- 4.13 The strategy will be launched in summer 2009. In addition, the launch campaign of the new Children and Young People's Plan will focus on tackling child poverty as one of its cross-cutting themes.

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

- 5.1 The new Strategy has no direct financial implications for Children's Services revenue or capital budgets for 2009-10 or future years. The priorities set out in therein will be used to inform the allocation of existing resources in future years.
- 5.2 A number of the activities are also being funded through the Working Neighbourhoods, specifically £1.4m for the 'Family Focused Engagement' programme stream. This programme is fully funded for an 18 month period from 1<sup>st</sup> April 2009.

## **6. CONCURRENT REPORT OF THE ASSISTANT CHIEF EXECUTIVE (LEGAL)**

- 6.1 Cabinet is asked to agree the Child Poverty Strategy in Appendix 1.
- 6.2 The Council is subject to a duty under the Children Act 2004 to ensure that every child, whatever their background or circumstances has the support they need to be safe. This may be viewed as supporting elements of the strategy.
- 6.3 More generally, however, the Council is empowered under section 2 of the Local Government Act 2000, to do anything which it considers is likely to promote the social, economic or environmental well being of Tower Hamlets (the well being power). The power may be exercised in relation to, or for the benefit of: (a) the whole or any part of Tower Hamlets; or (b) all or any persons resident in Tower

Hamlets. In exercising the power, regard must be had to the Community Plan. The report draws attention to the links between the strategy and the Community Plan and it is open to members to conclude that the well being power supports the making of the strategy.

## **7. ONE TOWER HAMLETS CONSIDERATIONS**

### *Reduce inequalities*

- 7.1 The child poverty strategy specifically addresses inequality and the needs of children and families living in and experiencing poverty. An equalities screening exercise of the strategy has been undertaken and plans made for a full equalities impact assessment to be undertaken once the strategy is in place.

### *Ensuring community cohesion*

- 7.2 This objective of this strategy is to tackle child poverty and inequality which can undermine cohesion. Specifically, it contains actions to ensure young people have equal access to cultural and leisure opportunities and to narrowing the gap in educational attainment and ensuring young people from low income backgrounds access higher education.

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

- 8.1 There are no specific implications in the child poverty strategy in relation to the environment.

## **9. RISK MANAGEMENT IMPLICATIONS**

- 9.1 The Council has signed up to an LAA target to reduce child poverty and this strategy contributes to meeting that target. The strategy's success in meeting this target is dependent on robust performance and risk management.
- 9.2 Our action plan will be managed through the Council's performance and risk management framework to ensure that progress is tracked and remedial action put in place to address any risks.

## **10. EFFICIENCY STATEMENT**

- 10.1 As part of the development of the strategy through the Achieve Economic Wellbeing theme group we are starting to measure to impact of existing actions to tackle child poverty to help us better understand which are making the most difference and where resources need to be prioritised.

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

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

Brief description of “back ground papers”	Name and telephone number of holder and address where open to inspection.
<b>NONE</b>	

**11. APPENDICES**

Appendix 1 – Child Poverty Strategy



## APPENDIX 1: TOWER HAMLETS' CHILD POVERTY STRATEGY

### Defining child poverty

“A child in poverty lives in a family with resources that are far lower than the average, with the result that they cannot fully participate in society. It can also mean that the family experiences poorer access to services and other disadvantages such as poorer quality housing and neighbourhoods or lower levels of financial assets.”

### DWP Child Poverty Strategy 2007

## 1. VISION

Our vision is that Tower Hamlets will be a place where no child or family is held back by poverty – a place where everyone has the same access to opportunities and the chance to achieve their potential.

## 2. INTRODUCTION

Preventing and tackling child poverty in Tower Hamlets is everyone's business and through a concerted partnership approach we have already made outstanding progress in recent years in breaking the cycle of deprivation. Our approach and success to date has been recognised through the recent Beacon award for preventing and tackling child poverty. While the award gives us confidence in the work we are already doing, we realise we need to do more. Too many of our children still live in poverty and we know that growing up with such deprivation can have a serious impact on a child's experience and life chances, and lead to intergenerational cycles of deprivation.

The context of the current economic downturn means that reducing child poverty is more important than ever. History tells us that in times such as these the poorest get poorer – this creates an imperative for us to do even more to help lift those families already living in poverty out of poverty, as well as do more to prevent other families from falling into poverty. The impact of the recession means that over 1,000 additional residents started claiming Jobseeker's Allowance last year. This compares with a decrease in claimants in 2007 and reflects the growing level of unemployment across the country. At the end of 2008, the employment rate in Tower Hamlets was 58% compared with an inner London average of 67%. We know that work is the best way out of poverty and many of our actions are therefore focused on supporting people into sustainable work options.

The economic conditions present a challenge but they are not an excuse and as a partnership we are absolutely committed to delivering our aspiration to reduce the number of children living in poverty, to prevent those children now growing up becoming the poor of the future and mitigating the effects of poverty for children and families.

Key to our success is our integrated approach to tackling poverty and worklessness. For example, the City Strategy Pathfinder Single Points of Access programme is offered through our Skillsmatch job brokerage service and builds on services offered through Children's Centres and Extended Services to provide an employability element to family focused services. This is enabling parents to be supported to enter or return to the job market and access local jobs.

The Tower Hamlets Partnership is the vehicle by which we have already made great strides and by which we will achieve our vision. Our commitment is based on a strong and dynamic local partnership including businesses, Job Centre Plus, schools and the health sector. With our partners, we share a collective accountability and responsibility for achieving our targets and ambitions to reduce child poverty.

### 3. LOCAL CONTEXT

- **What does child poverty look like in Tower Hamlets?**

Arguably the proportion of children living in poverty in Tower Hamlets is higher than anywhere else in the country and while residents have benefited from the rapid economic growth in the borough over the last ten years, too often the beneficiaries of this growth have not been families with children.

There are a range of ways of measuring poverty but on each measurement Tower Hamlets scores highly in terms of child poverty. Significantly, we know that:

**[ALL STATS TO BE CHECKED/UPDATED PRIOR TO PUBLICATION]**

- 66.6% of children in Tower Hamlets live in families earning less than 60% of the national median income, making us the most deprived borough in the country on this indicator (IDACI 2007)
- The Indices of Deprivation rank Tower Hamlets as the third most deprived borough in the country
- In 2007/08 46.4% of children were living in families dependent on out of work benefits
- The percentage of children eligible for free school meals in our secondary schools is the highest in England by a clear 16 percentage points
- 18.5% of families in the borough were living on less than £15,000 according to latest data (Equivalentised PayCheck Data 2008)

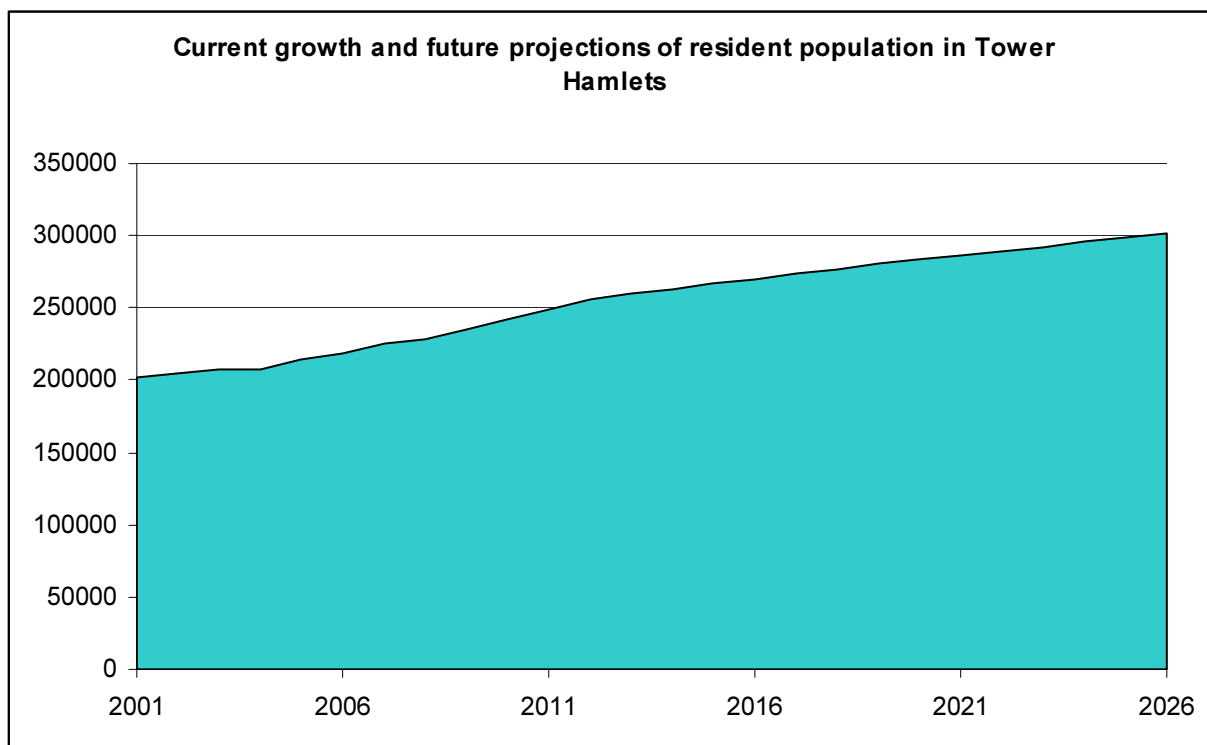
***On each measure Tower Hamlets has the highest proportion of children living in poverty in London.***

- **Population estimates**

Population estimates published by the Greater London Authority (GLA) confirm the continued growth of the borough's population. The GLA projections indicate that Tower Hamlets' resident population increased by 11% between 2001 and 2007 (GLA low projections 2008).

The GLA currently estimates that Tower Hamlets has a resident population of 235,000. However, their projections estimate that Tower Hamlets' population will increase to 270,300 residents by 2016.

Chart 1: Population growth and future population projection – Tower Hamlets 2001 – 2026

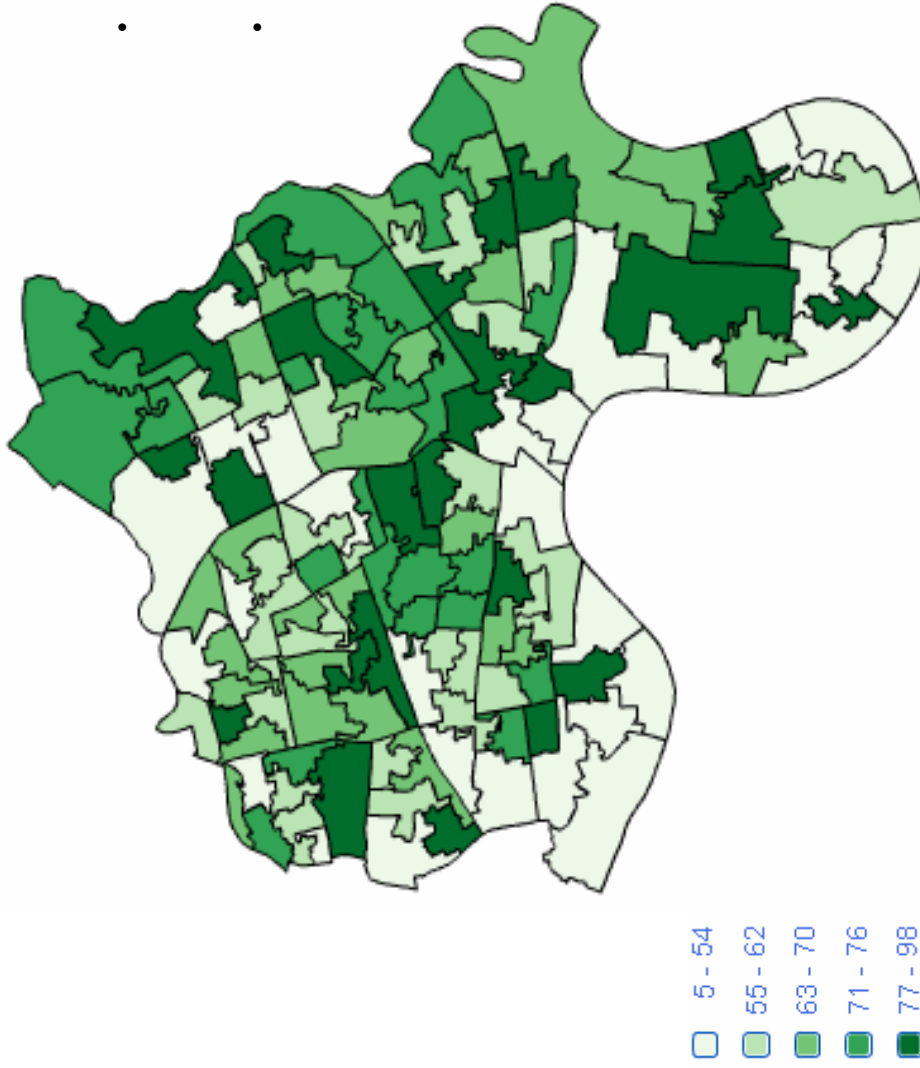


(Source: GLA projections Low 2008 Round.)

In Tower Hamlets deprivation has a disproportionate effect on children and young people. We have one of the youngest populations in the country – according to ONS data from 2007 over 25% of Tower Hamlets’ residents are aged 19 years or younger and 76% of the school age population is from a minority ethnic group (Census 2001).

On the following pages are some maps which visualise the spread of deprivation across the borough.

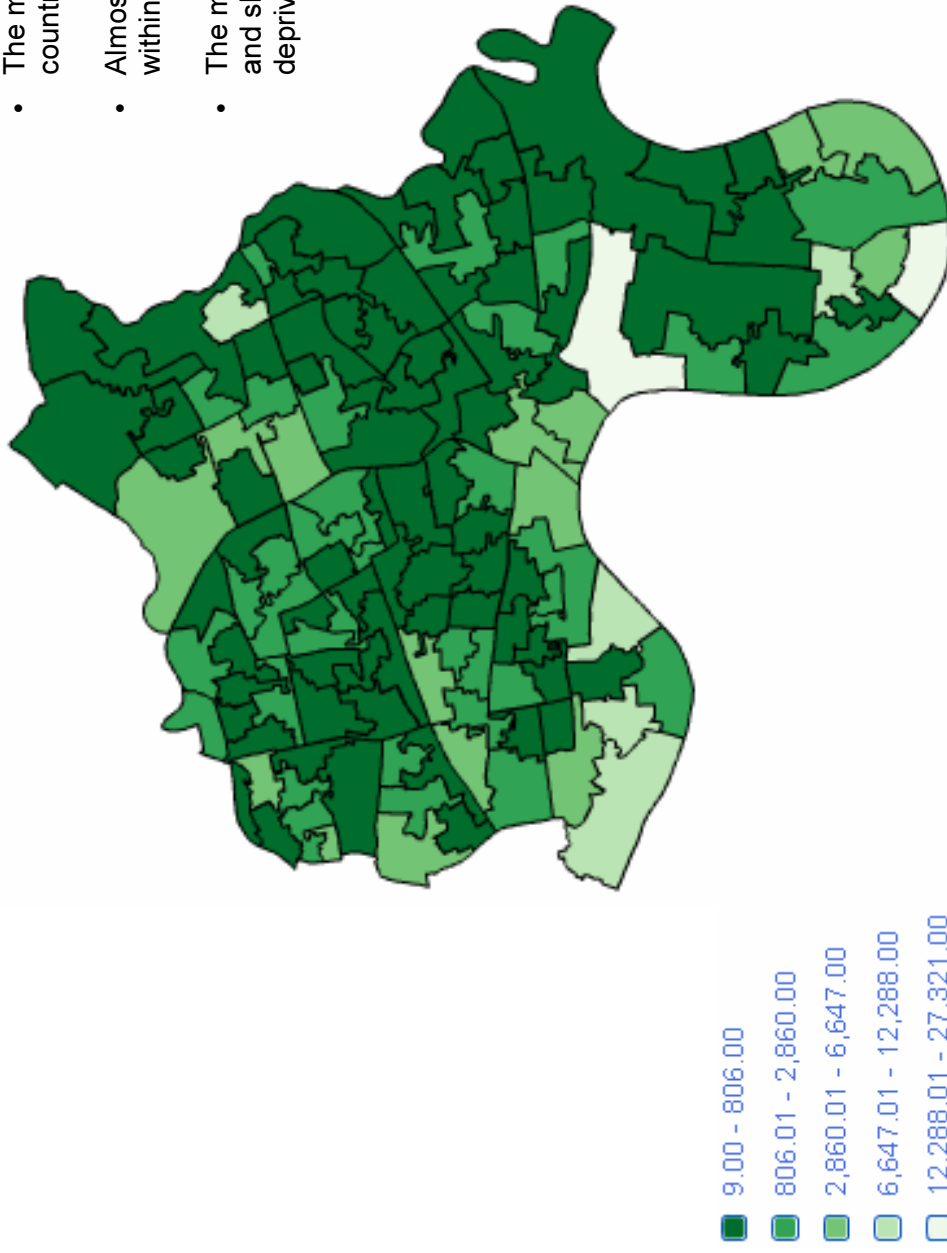
**INCOME DEPRIVATION AFFECTING CHILDREN INDEX (IDACI 2007, England & Wales)**



- The map shows the percentage of children aged 0-15 from income deprived households. Each of the classes in the key represents 20% of the borough.
- The darkest colour highlights the 25% most deprived areas in the borough. These are spread throughout the borough and are not concentrated in one particular area of the borough.

**RANK OF INCOME DEPRIVATION AFFECTING CHILDREN (IDACI 2007, England & Wales)**

- The map shows the rank of each neighbourhood within the country with 1 being the most deprived.
- Almost three quarters of neighbourhoods in Tower Hamlets are within the 5% most deprived areas in the country.
- The map highlights the spread of deprivation across the borough and shows that the eastern edge of the borough is particularly deprived.



- **So why does poverty matter?**

Child poverty matters greatly, and it matters because we know that children who grow up in poverty are, statistically speaking...

- Less likely to succeed at school
- More likely to suffer from poor health
- Less likely to secure a good job as an adult
- More likely to offend
- Less likely to access a range of cultural and leisure activities
- More likely to be taken into care.

We are bucking the trend in some of these areas but this provides a strong case as to why preventing and tackling poverty matters so much and why it is absolutely necessary to ensure our children and young people are given every opportunity to succeed in life.

#### **LOCAL APPROACHES TO TACKLING CHILD POVERTY: ST PAUL'S WAY CASE STUDY**

The St Paul's Way transformation project is an example of a multi-agency approach to local regeneration and partnership working to mitigate the effects of poverty. This project has brought together the Primary Care Trust, Poplar Harca, the local authority, local third sector organisations and local schools to collaborate around the physical and human transformation of the St Paul's Way area. This comprises three major capital programmes, the creation of new local employment and learning opportunities, investment in arts and cultural facilities and activities and complete development of local health services.

St Paul's Way school is also leading our Building Schools for the Future programme and will be rebuilt as a brand new purpose-built school. The improvements will help drive up attainment and aspirations, and make the school an important asset both for the pupils and the local community.

#### **4. NATIONAL AND REGIONAL CONTEXT**

Locally we are committed to tackling child poverty but the problem cannot be solved alone. Central government and regional bodies also have a key role to play in this agenda. The government has made it clear that ending child poverty is 'everyone's business' and has set national targets for halving child poverty levels by 2010 and eradicating it by 2020.

There are a number of things happening at a national and regional level which will help locally to put an end to child poverty.

A Joint Child Poverty Unit – bringing together officials from the Department for Work and Pensions and the Department for Children, Schools and Families – has been formed to encourage greater cross-department working and to take forward the government's strategy.

The London Child Poverty Commission was established in 2006 to identify ways to reduce and eliminate child poverty in London. The Commission published a report which identified particular groups who may be disadvantaged.

- Mothers – lack of part-time employment, flexible affordable childcare and higher cost of housing, childcare and living costs.

- Fathers with English as second language – represent 60% of all non-employed people.
- Parents with a disability or mental illness – are less likely to be able to find employment
- Parents – trapped in low skilled jobs and little opportunities for career progression and development

The London Child Poverty Pledge has also been launched. The pledge nine actions to help London boroughs meet the objectives of the pledge:

- ...as an employer, our policies and practices enable London's parents to find and progress in suitable and fulfilling jobs; to balance work and family life; and to earn a decent wage
- ...parents and their families receive continuous and comprehensive support as they enter, stay and progress in work
- ...children, parents and families do not experience difficulties or delays in accessing support due to avoidable bureaucracy or boundaries between services
- ...the needs of all poor families are understood and reflected in our strategic plans and priorities
- ...the impact and effectiveness of services is maximised, and outcomes for poor children and families improved, as a result of strong partnership working with local, regional and national partners
- ...child poverty remains a priority across all relevant areas of our work, promoted by a 'child poverty champion' on our senior leadership team
- ...all families – including the most disadvantaged – experience a high quality service from skilled and responsive staff, who understand the contribution that their work makes to ending child poverty, and can identify which customers are parents and tailor their support accordingly
- ...the views and experiences of children, young people and parents, including those from disadvantaged groups, shape the services we develop, commission, fund or deliver
- ...services are continuously improved on the basis of robust evidence about what works in tackling child poverty.

As a big employer we already have a number of initiatives underway to support these objectives. Some of the planned new activity in these areas is picked up in section ten and the attached action plan.

## **5. STRATEGIC FRAMEWORK**

Our new Community Plan and Local Area Agreement provide the strategic framework for our work to tackle child poverty. Running throughout our new Community Plan is the aspiration of 'One Tower Hamlets' - this is about reducing the inequalities and poverty that exist in the borough. In addition, contained within our Local Area Agreement is an ambitious child poverty target.

The priorities identified in the Community Plan which will help to reduce child poverty and increase employment and skills are:

*Supporting excellent learning opportunities for all by:*

- Investing in the under 5s whose development provides the best possible foundation for long term success;
- Providing high quality schools, so that young people acquire the knowledge and skills they need to fulfil their full potential; and

- Providing continuous learning opportunities, so everyone can learn basic and new skills at any age.

*Reducing worklessness by:*

- Helping families to escape poverty, by providing employment support and advice on debt management;
- Identifying and removing barriers to employment for target groups; and
- Helping people to get and keep employment by ensuring there is support and training before and after they get a job.

And by 2011 we will:

- Take more than 1,000 children out of poverty
- Increase the proportion of young people achieving 5 or more A\*-C grades at GCSEs, including English and Maths (target of 45% for 2010)
- Reduce the proportion of 16-18 year olds who aren't in education, employment or training (NEET) from 8.2% to 6%
- Increase the number of young people from families from low incomes going on to higher education
- Increase the proportion of local people in employment by 2.5% to 55.7% - around 3,500 additional people into work
- Reduce the proportion of local people on out of work benefits by 2% - a reduction of more than 2,500 people
- Ensure the proportion of 19 year olds achieving a level 2 qualification rises by 14% to 72%, and a level 3 qualification rises by 9% to 46%
- Increase the proportion of students completing entry level 1 ESOL courses by 8%
- Increase the number of adults with learning difficulties in jobs
- Increase the number of adults, who are getting support from mental health services, in jobs.

Tackling child poverty has furthermore been identified as a cross-cutting priority in our new Children and Young People's Plan (CYPP) 2009-2012. The CYPP highlights how activities across the Every Child Matters themes will impact on tackling and mitigating the effects of poverty.

- **Employment Strategy**

In recognition of the need for a structured and coordinated approach to tackling worklessness and child poverty, this strategy has been developed in line with our Employment Strategy, 'Getting Neighbourhoods Working'. Interventions under the following objectives will contribute to tackling child poverty:

- Objective 2: an effective range of employer led interventions
- Objective 3: improve the transition from education to employment
- Objective 4: create a seamless pre-employment to post employment skills offer
- Objective 5: create an effective engagement programme

- **Scrutiny Review**

There is cross-party commitment to reducing the levels of child poverty in the borough. To this end, Scrutiny Members have recently undertaken a review to explore how Elected Members can contribute to the achievement of 'One Tower Hamlets' by focusing on the issue of child poverty.



The Working Group has developed recommendations under four key themes:

- Improving community leadership
- Supporting vulnerable residents
- Strengthening partnership working
- Improving access to advice and information

This strategy builds on the Scrutiny Review and the actions contained within the action plan complement the findings of the Working Group. Additional actions may be developed once the recommendations arising from the Review have been finalised.

However, in response to the Scrutiny Review our child poverty strategy includes a focus on:

- Using the findings and evidence gathered from the Review, as well as other existing research, to identify where there are gaps in our knowledge where further research might be necessary in order to better target our interventions
- Maximising on our Beacon status to lobby and influence government
- Considering how financial inclusion, debt management, housing advice and employment support might be better provided to support people into employment and how this support could be promoted through Children's Centres other public offices, as well as through East End Life and other publications
- Further developing the information available on financial inclusion and debt management.

## 6. DRIVERS

Through the work that we have done to date to address child poverty we have developed an increasingly complex picture of the nature and causes of poverty in the borough.

We know that some of the key drivers of child poverty in Tower Hamlets are:

- Low levels of education, English language skills and basic skills in the adult population;
- A disproportionately high number of families in which neither parent is in work;
- Relatively high levels of adult disability, mental ill-health and chronic illness;
- Limited options for family and affordable housing;
- The lack of confidence to travel to where jobs are available; and
- In some cases patterns of inter-generational worklessness which have become entrenched.

Our strategy has therefore been tailored to address these root causes of poverty in the short to medium term, whilst maintaining our focus on breaking the cycle of poverty in the long term. This aligns well with our overall Employment Strategy to address the issues of generational worklessness and to target those young people who are at risk of becoming long term unemployed, perpetuating a cycle of workless families.

## 7. PRIORITIES

Our framework to address child poverty is structured around four key priorities:

**Removing barriers to work** – including supporting parents who are job-ready or close to job-readiness to find work, developing strategies to reduce systematic disincentives to work, providing high quality childcare options, and offering top-up skills and training. We are using the vehicle of the City Strategy pathfinder to offer flexible and discretionary assistance to provide innovative ways of support.

**Developing pathways to success** – including investing in longer term training and development, for example around basic skills and English language needs, working with community organisations to create more accessible local and supported work or volunteering opportunities, and actively supporting parents with disabilities and poor mental health into sustainable work options.

**Breaking the cycle of poverty** - including our continued and strong focus on education, personalised strategies to prevent young people from becoming NEETs, targeted intergenerational work with families with a history of worklessness, interventions to reduce youth offending, raising community aspirations and active parental engagement in young people's learning.

**Mitigating the effects of poverty** - including opening up cultural, sporting and leisure opportunities to those who would not normally access them, maximising the take-up of benefits, improving access to health services and health promotion opportunities, developing localised extended services, and making the greatest use of our green spaces.

## 8. OUR APPROACH

Our approach to preventing and tackling child poverty is underpinned by a number of key factors:

**Focus on partnership** – we recognise that child poverty is a cross-cutting and wide-ranging issue. It can only be tackled through actively engaging key partners across a range of sectors through the framework of the Tower Hamlets Partnership and Children and Families Trust.

**Family and community engagement** – we recognise that parents and families play a key role in the wellbeing of children and young people and have developed many innovative ways of engaging parents as part of a parent engagement programme. Engaging parents and families is key to successful interventions to prevent and tackle child poverty. We also work closely alongside community groups and social enterprises and recognise their strong links into the communities we serve.

**Localisation** – local planning and delivery of services enables us to target services to the needs of children and young people. This has involved co-located and integrated delivery of services across professional disciplines and boundaries.

**Tackling inequalities** – in order to break the cycle of deprivation which leads to child poverty we use robust data to identify need and to monitor the reach and impact of our services. We believe the work that we do as a local authority which has reached Level 5 of the Equality Standard means we put equality at the centre of everything we do. Our equality schemes also reflect and include actions that will help us deliver this strategy.

## 9. ACTIONS AND PROGRESS

In recent years a range of actions and initiatives have been taken to reduce child poverty. Some of these actions are set out below under our strategic framework headings.

### ***Removing barriers to work we have...***

- Established job brokerage teams, Skillsmatch and Tower Hamlets College Employment Solutions, which work directly with employers to secure pathways to employment. Skillsmatch helps over 600 local residents into employment each year.

- Become an active partner in the City Strategy Pathfinder, integrating employability services with our parental engagement and childcare services, offering more joined up working and structured engagement to provide support to help families into work. This initiative has already engaged over 4,000 residents and assisted over 600 into employment.
- Offered a range of courses to support people in both accessing employment and increasing workplace skills. Courses range from business and finance to languages and have been taken up by over 1000 people.
- Commissioned an independent audit of childcare across the borough which concluded that sufficient high quality places are on offer to meet the needs of the population.
- Worked through our 21 designated children's centres to offer sign-posting to training and volunteering opportunities, and job brokerage services.
- Worked in partnership with housing associations operating in the borough supporting them to deliver employment initiatives. This has included support to take on trainees and modern apprentices to work on their construction sites.
- Developed a joint Workforce to Reflect the Community Strategy and associated programmes of activity between the Council and the PCT.
- Established a Community Employment programme that removes barriers to employment in the public sector through employment support, placements and vocational training.

*Key outcomes:*

- The number of children living in benefit dependent families decreased from 23,835 in 2004/05 to 22,565 in 2006/07, a reduction of 5% over a two year period
- During 2007/08 220 18-24 year olds in receipt of jobseekers allowance were helped into sustained employment
- Through our Single Point of Access programme, which is delivered through Skillsmatch, the Community Hubs, Extended Schools, the parental engagement team, Tower Hamlets College and the Tower Project, over 4,000 residents have been engaged in the service and 600 have been supported into work
- In 2008/09 Skillsmatch supported 306 under 25s into employment, 49 of which fell into the 16-18 age group.

***Developing pathways to success, we have...***

- Offered ESOL and basic skills in a range of settings and invested in basic skills training in language, literacy and numeracy for adults.
- Developed pioneering approaches to working with families holistically through Children's Centres including trialling the FSA finance guide for new parents as well as employment projects and a new project working with identified families focusing particularly on family finances.
- Put parents firmly at the heart of children's development, for example through Our Parents as Partners in Early Learning Project which is a holistic approach to family well being. The team were recently awarded best childcare team of the year in the 4Children national awards.

- Worked with providers of our commissioned services, for example construction and leisure companies to recruit a certain percentage of their workforce from the local community.
- Established an adult learning resource “Passport to Learning” which provides a simple record of achievement, supporting parents at the start of the journey to employment. Schools are actively involved in this process through the delivery of workshops and short courses and volunteering opportunities.
- Through Skillsmatch, developed an award winning transitional programme of part intensive training and part work placement to secure jobs with corporate organisations where local residents would previously not have been able to access these jobs. For example, Credit Suisse have now offered 41 local young people jobs as a result of the programme, and we won a national training award for the project.
- Provided over 2,800 work experience placements for pre and post 16 students, through our Education Business Partnership.
- Introduced training and employment opportunities into our day centres for adults with learning and physical disabilities and offered job brokerage activities for adults with disabilities through the Tower Project.

*Key outcomes:*

- 20 disabled residents were helped into sustainable employment through Skillsmatch and 24 through the Tower Project in 2008/09
- The Parental Engagement team have delivered a series of taster workshops and short courses under the Passport to Learning programme, to attract Single Point of Access beneficiaries. In 2008/09, 327 parents attended and participated in a range of taster workshops and short courses
- The amount of contracts secured by local businesses through the Canary Wharf Liaison Office was £8.9 million in 2008/09 (up from £4 million in 2004/05)
- In the 2007/08 academic year there was an overall 75% success rate on Lifelong Learning accredited courses – above the national minimum levels of 68%
- Volunteering opportunities have increased by 400 for young people in the last year, far exceeding the target of 200.

***Breaking the cycle of poverty, we have...***

- Created, with our schools, a shared culture that deprivation is no excuse for poor outcomes. Our schools set ambitious targets for their pupils, and we support and challenge them to meet these targets. We are a Beacon Council for School Improvement.
- Developed new industry-related curriculum and qualification opportunities at 14-19 including Apprenticeships, Young Apprenticeships, work-based programmes through the School Engagement Programme and approval to offer seven new Diploma lines by 2009.
- Established a permanent Employer Engagement post for our 14-19 partnership to secure business input into the planning, delivery and evaluation of learning (four FTSE 100 companies and the City of London Corporation have badged and supported our Diploma in IT) and ensure young people are prepared for work.

- Opened a new construction skills centre with a third sector partner in order to give our young people an accredited foundation in the skills needed for the booming local construction industry.
- Launched a National Skills Academy for Financial Services through Tower Hamlets College, a partner in our 14-19 partnership. This is a flagship centre serving the global businesses which offer over 40% of local employment.
- Worked through our Education Business Partnership which works to provide business mentors, learning and coaching opportunities, and shared development projects in our schools. All our secondary schools and many of our primary schools have active partnership arrangements in place with at least one business.
- Developed a highly personalised approach to supporting young people who have become NEET, and targeted those at risk of doing so.
- Piloted the Family Nurse Partnership which provides intensive support for our most vulnerable young mothers, and works with them until their child is two years old, enabling many to return to education or move towards employment.
- Worked in partnership to deliver weekly drop-ins for young parents to help re-engage them back in education, employment and training.
- Provided targeted and personalised support to the most vulnerable and at risk young people, for example young offenders, teenage mothers and looked after children, to ensure that they maintain their focus on learning and maximise their potential.
- Focused on transition planning for young people with LDD and developed additional appropriate education, training or supported opportunities to help them achieve their potential in an inclusive environment, narrowing the attainment gap between SEN students and others to 10% less than the national average.

#### *Key outcomes*

- The percentage of 11 year olds achieving the target level for their age in mathematics and science is now above national averages and results for English are at the national average
- We are the fastest improving local authority in the country at Key Stage 4 – the percentage of young people achieving 5 A\*-C GCSE grades, including English and mathematics, has doubled to 41% since 2000 and we are continuing to close the gap with the national average
- We have significantly improved the number of young people achieving Level 2 qualifications by the age of 19, narrowing the gap from the national average
- We have made significant reductions in the percentage of 16-18 year olds who are NEET from 12.6% in 2005/06 to 6.7 in 2008/09, and have reduced the percentage of young people with learning difficulties and disabilities registered as NEET from 15.4% (November 2006) to 7.3% (November 2008), which is now below the East London average
- 81.8% of young people supervised by the YOT were in suitable full time education, employment or training in 2007/08. This is a significant increase on the previous year's figure of 72.5% and is around 10 percentage points higher than YOT family, London and national averages
- In 2007/08, 81% of all young people (16-24 years) known to the Leaving Care Service were in employment, education or training, and 23 care leavers were at university compared to 17 the previous year and 9 in 2005

- The number of young people engaged in positive activities almost doubled during 2007/08, from 1,807 to 2,605.

***Mitigating the effects of poverty, we have...***

- Engaged all our schools in extended service clusters. Our commitment to opening up schools sports, recreational and arts facilities to the wider community and to young people outside the normal school day has a considerable impact on mitigating the effect of overcrowding. This commitment is fully reflected in our BSF programme.
- Developed four Idea Stores across the borough and as a result, unlike many parts of the country, active use of our library services is increasing.
- Been successful in the national “Find Your Talent” pathfinder and in partnership with local, pan-London and national arts and cultural partners we are now developing a new cultural entitlement for every young person in the borough.
- Invested, through our Children’s Fund, in a diverse range of play activities for children and young people and have recently been awarded Play Pathfinder status which is enabling us to develop additional play facilities at a local level.
- Provided a range of positive and diversionary activities which are widely marketed to young people through our “Things to do, Places to go” booklet and through the AMP website, developed by young people for young people.
- Developed a “Choice and Opportunities On-Line” (CO-OL) scheme which provides 6,000 of our most deprived and vulnerable young people with £40 to spend per month through a swipe card on a range of recreational, sporting, cultural and leisure activities.
- Rolled out a laptop initiative to all year 7 pupils, providing technology and internet access to the families of these young people.
- In partnership with the FSA, developed a guide for parents explaining benefits take-up which is now being promoted through our Children’s Centres and the Parents Advice Centre and is being rolled out nationally by the FSA.
- Developed a peer education programme on homelessness, targeting 14-15 year olds to highlight the realities of independent living and to ensure if they are to make a homeless application it is in a planned way.
- Developed a pilot programme supporting homeless households with children under 5 by providing outreach support, advice and signposting them to local Children’s Centres and Health Visiting Services.
- Put in place a range of initiatives to help families living in overcrowded conditions, including knock-throughs, cash incentive schemes to encourage under-occupiers to downsize into smaller accommodation and the development of larger family homes.
- Delivered with our health partners a range of initiatives to tackle health inequalities. This includes smoking prevention initiatives, programmes to reduce childhood obesity and teenage conception and initiatives which promote breast feeding and oral health.

### *Key outcomes*

- The recorded number of people under the age of 19 using local leisure centres has increased significantly – from 3,100 people in 2004/05 reaching to a significant 26,987 people in 2007/08
- The percentage of people satisfied with local libraries has risen from 43% in 2003/04 to 55% in 2008/09
- 42% of young people are in contact with our Youth Services, up from 27% three years ago, and the percentage of young people getting Recorded and Accredited Outcomes from their contact with the Youth Service has remained high, exceeding the National Benchmark
- The number of under 16s who are active users of Idea stores increased from 14,000 in 2005/06 to 16,000 in 2007/08
- The percentage of young people receiving two or more hours of good quality PE per week has increased from 62% in 2006/07 to 98% in 2008/09
- 952 more affordable homes were built in 2008/09 – this includes both shared ownership and social rent housing
- Over 300 families were moved out of overcrowded homes in 2008/09, exceeding our annual target. In addition, over 430 families from the overcrowded waiting list were re-housed, 132 of those requiring family-sized homes (2 bedrooms and larger).

These high level outcomes demonstrate that:

- For our population at large we have been successful in reducing worklessness and benefit dependency among families
- Our targeted employment initiatives (such as those for 18-24 year olds) are beginning to take effect
- We have a successful and structured approach to lifelong learning and creating pathways through to employment
- We are transforming outcomes for children in our schools today which will prevent them from being the deprived and socially excluded parents of the future
- We are successfully reducing the effects of poverty on children's lives through a rich range of activities and experiences which they may not normally experience.

However, underpinning these high level outcomes we also have confidence that we are beginning to narrow the gap between the most deprived or vulnerable children and their peers. School attainment data shows that the gap between pupils entitled to free school meals and their peers in Tower Hamlets is significantly less than the gap nationally, and that those eligible for free school meals in Tower Hamlets also significantly outperform those eligible for free school meals nationally.

## CASE STUDY: LINCOLN AND BURDETT CHILDREN'S CENTRE

The Lincoln and Burdett Children's Centre, which is run by the Registered Social Landlord, Poplar Harca, provides holistic wrap around services for 0-5 year olds and their families in Mile End East and Bromley by Bow wards – two areas of very significant deprivation and challenge. Since 2006 the Children's Centre has been removing barriers to work by delivering a training and employment service enabling more parents to access local jobs. This includes support with volunteering, signposting of parents to other service providers and specialist support through training and supplementary learning.

For every new parent accessing the employment and training service a registration form is completed to enable staff to understand their individual needs and what they want from the service – this enables bespoke advice to be provided, referral to relevant training and access to a range of in-house services such as job brokerage, money matters training, motivational training, CV building and better off calculations.

The impact of the employment and training service at Lincoln and Burdett has been considerable. Between April 2008 and March 2009, 28 parents have found work, 44 have accessed education courses, including NVQs, GCSEs and PGCEs, 28 have accessed other training courses and 16 have accessed volunteering opportunities. In addition, over the past year 48 people have been helped to complete a CV, 17 parents have received benefits advice, 82 applications for jobs have been completed and 48 mock interviews undertaken.

Key factors in its success are that the service is highly sensitive to local demographic, social and cultural needs, as well as the strength of interagency working. Lincoln and Burdett works closely with a range of community based partners including the training and employment team at Poplar Harca, Job Centre Plus, Working Links, the Voluntary Centre Tower Hamlets and the Bromley by Bow Centre.

The following statements are from parents who have accessed the service:

*"I know how to do finance statements and have learned about credit unions – I have practical things I can do. I've learned how to manage expenses and my budget."*

*"Through this service I was successful in getting a volunteering post as a health guide at the Bromley by Bow Centre – when I complete the training course I will start a short contract of paid work."*

*"I have become more confident – doing the mock interviews made me feel that I could do the interview."*

Following the success of the Lincoln and Burdett employment and training service similar support to remove barriers to work is being developed for parents across all 21 Children's Centres in the borough.



## 10. PLANNED ACTIONS

Across the Council and partner agencies there is already a great deal of activity in train helping to both prevent and tackle child poverty. The Beacon award is testament to this and acts as a spur to ensure this early momentum is maintained. It also provides us with an exciting opportunity to share and learn from others' approaches.

The previous section sets out the story so far – the interventions we've put in place and some of our successful outcomes – but we know we need to do more, particularly in times of a recession. This section therefore highlights how we plan to build on our existing provision by detailing some of things we are going to do differently. The actions in this section represent the new, big impact activities to both prevent and tackle child poverty. The cross-cutting nature of the activities also demonstrates that tackling and mitigating the effects of child poverty in Tower Hamlets is everyone's business.

Some of the activities put forward in this section derive from successful Working Neighbourhoods Fund (WNF) proposals. WNF was launched in December 2007 with the objective of tackling worklessness and low levels of skills and enterprise in the most deprived areas. Our WNF strategy is based on three strategic programme goals with five programme streams. The short-term imperative is to get 4,000 people into sustainable employment and the interventions under the programme stream, 'Family Focused Engagement', will have a direct impact on reducing child poverty. As part of WNF requirements, there will also be joint activity across the Partnership to develop a Skills and Employment Work Plan.

### ***Removing barriers to work, we will...***

- Build on the findings of the Scrutiny review by pulling together what we already know about families living in poverty to identify where there are gaps in our knowledge and help us to understand how to better target our interventions. Alongside this we will also pilot a more in-depth needs analysis as part of a strategic commissioning pilot.
- Develop a "Children's Centre" offer - the "50-Up" programme. Each Children's Centre will identify 50 parents to be supported into work through the Community Hub networks. This will deliver 1050 parents into employment between now and mid 2010.
- Introduce a financial incentives scheme to help remove the financial barriers to employment for families in temporary accommodation. The scheme will both encourage and support homeless households to move into, and remain in, employment. The scheme will support over 100 families between now and 2011.
- Develop a Multi Area Agreement (MAA) with the four other Olympic host boroughs. The MAA will maximise the local opportunities resulting from the Olympics and create a sustainable economic legacy in east London focusing on housing, worklessness and the public realm. Through the MAA, we will continue to lobby government for powers to enable us to commission and deliver employment, skills and training services, realign administrative boundaries, introduce new accountability frameworks for the employment and skills service and obtain assurances about funding stability.
- Deliver the nursery education pilot project for two year olds, targeting the most deprived families in the borough. Up to 15 hours a week free nursery education will be offered. The pilot will also offer opportunities to the whole family such as increased support for home learning through structured parent and toddler time and parental support programmes. In addition, there will be a signposting service for parents to access training and job opportunities, childcare and housing support.

- Undertake a large publicity campaign to promote the benefits of childcare and the various funding streams available to parents.
- Provide training on sign-posting and careers advice to frontline professionals working with families.
- Deliver a localised Safe Place to Be service providing young people aged 11-14 with supervised recreation, leisure and learning opportunities before school, after school and during the holidays while their parents are at work.
- Explore the opportunity for the Employment Task Group to enhance delivery of the Flexible New Deal Programme.

***Developing pathways to success, we will...***

- Extend ESOL provision (entry levels 1, 2 and 3) through a borough-wide programme. The programme will offer flexible provision and the opportunity to achieve “Skills for Life” qualifications which support a journey towards the labour market and into work. Importantly, it will include qualifications as well as employability and employer involvement at all levels and in-work mentoring support for those that progress into work. Over 600 people will benefit from this programme over the next two years.
- Recruit local business people to support school centred employability and business skills development activities leading to the development of work related and employability skills. This includes an accredited ‘Passport to Employability’ programme to target all 14 year olds, particularly those identified by their schools as at risk of either not engaging effectively or at risk of becoming NEET. The ‘Passport to Employability’ programme will offer online assessment tools, followed by a structured series of employability skill development initiatives leading to a GCSE equivalent employability qualification.
- Work with primary care to raise awareness amongst GPs of their critical role in supporting people on long term sickness back into employment.
- Support parents with severe and enduring mental illness to improve parenting skills, building on the ‘Parental Mental Health service’ and support return to work, building on the ‘Working Well Trust’.
- Ensure we have in place options to meet the needs of all pupils staying in learning to age 18. This includes the new Diploma lines which will have a focus on the world of work rather than traditional academic learning and subjects. By September 2009, young people will also be able to choose from six more Diploma lines - Business, Administration and Finance, Creative and Media, Environment and Land-based, Hair and Beauty, Hospitality and Catering and Society and Health and Development.
- Develop a comprehensive apprenticeship scheme in the public sector and launch an additional 600 apprenticeships through public, community and voluntary partners.
- Pilot a project with schools to provide part-time paid work experience for parents who have completed Passport to Learning courses for a minimum of one year to train as Parent Support Partners. During their first year of employment they will be supported by the team of Parent Support Co-ordinators and will be released to attend regular training. It is hoped that after the initial year, schools will be able to provide permanent employment for successful trainees.

- Commission targeted localised provision through our Extended Schools Clusters to engage adults and assist in their progression onto higher accredited courses where participants need to meet certain criteria in order to participate.

***Breaking the cycle of poverty, we will...***

- Progress our action plan to raise GCSE results to be the best in the country by implementing the priorities in our new three year Children and Young People's Plan, with an emphasis on evidence-based intervention and personalised learning to support all pupils to maximise their potential. School improvement is at the heart of our approach to tackling and breaking the cycle of child poverty, and we have in place a whole host of initiatives aimed at raising attainment at all key stages.
- Implement actions to deliver our new LAA target on young people from low income backgrounds accessing higher education. The Aim Higher and Gifted and Talented programme will offer a varied menu of activities to support young people into higher education, including campus visits, mentoring programmes, master-classes and summer schools. We will also put in place activities to reach specific groups such as learners with disabilities and children in care.
- Deliver a range of activities to engage parents and families with young people not in employment, education or training (NEET) or young people at risk of becoming NEET, including the City Strategy Single Point of Access model.
- Provide targeted learning programmes for each significant group of 14-18 learners at risk of being NEET, including an increase in work experience opportunities for those leaving care.
- Develop opportunities for young people with learning difficulties to progress into supported employment, further study and/or independent living.
- Improve the provision of positive diversionary activities, restorative justice and information, advice and guidance to reduce youth offending. Alongside this we will also extend the range of positive activities and recorded and accredited outcomes available outside of school hours, ensuring all children and young people have access.
- Support schools to deliver an Out of School Hours Learning (OoSHL) entitlement – including a choice of four activities a week - across all Key Stages.
- Roll out the Baby Family Intervention Programme, a pre-birth intervention and support service for families in need, implementing lessons learned during the pilot and link into the Family Nurse Partnership. This will help to provide a safe environment where children and young people thrive and achieve their full potential through a continued focus on early intervention with families at risk.

***Mitigating the effects of poverty, we will...***

- Implement the Child Development Grant pilot which will enable us to provide incentives for families with young children to engage with their local Children's Centre and become involved in activities that support their child's development. The pilot will target a range of families affected by poverty – families with parents with disabilities or mental health problems, young parents, lone parents, working parents on low incomes and asylum seeking or refugee families.

- Provide in depth financial literacy training to unemployed parents, giving practical advice to help families better manage their finances. This will link in with our 'Claim the Max!' campaign and will include sample letters, forms and financial statements, advice on managing bills, prioritising debts and taking control of personal finances, as well as advice and help on take-up of tax credits and in-work credits.
- Establish a new Benefits Service Take-up Team to maximise income to those on low income in response to the financial impact of the current economic climate.
- Open up cultural and leisure activities to low income families through the Find your Talent Pathfinder. This will give every young person in Tower Hamlets access to a rich cultural offer of up to five hours a week in and out of school and will ensure that they not only get the chance to discover their talents, but also to develop broader transferable skills such as confidence and teamwork. This links up with the development of the COO-L card to increase the scope of cultural and leisure activities open to low income families.
- Provide increased opportunities through the Tower Hamlets Healthy Borough programme for regular physical activity and increase the availability of healthier food choices in Children's Centres, schools, leisure and community centres, shops, cafes, restaurants and takeaways. The programme will also explore the possibility of limiting the number of new fast food outlets.
- Provide social care support to children and families through extended schools to enable them to overcome barriers to learning and thereby improve achievement.
- Introduce a new three year Housing Strategy focused on reducing overcrowding, as well as increasing the provision of new family housing in all sectors, particularly family housing for social rent. We will also continue to work in partnership with the borough's housing associations, through the Tower Hamlets Housing Forum, on a wide range of employment and training schemes and health initiatives.
- Improve and extend 28 playgrounds in the borough for 8-11 year olds through the Play Pathfinder. We are also developing a Play Strategy, and as part of this will offer more positive activities for the 0-3 year age group and their families.
- Implement an innovative new project, ASPIRE, which will target the most vulnerable young women, at highest risk of becoming pregnant, with individual support.
- Move forward on our IT vision to provide broadband access in all TH social housing, and use this as a platform to provide access to high quality learning materials, information on services.

## **11. MONITORING PROGRESS**

While all partners in the Tower Hamlets Partnership have responsibility for reducing child poverty, the Children and Families Trust has overall responsibility for our child poverty targets.

The Children and Families Trust is our Children's Trust Board and one of the borough's five Community Plan Delivery Groups (CPDG). Alongside the Trust, the 'Prosperous Community' CPDG plays a key role in this agenda as it is responsible for our employment and worklessness targets.

Sitting underneath the Children and Families Trust we have a delivery group for each of the Every Child Matters themes. The Achieve Economic Wellbeing group, which brings together partners from a range of agencies including the Council, Tower Hamlets College, our Education Business Partnership and the Learning and Skills Council, is where our child poverty strategy and progress against it will be monitored and reviewed. Partners in this group are responsible for delivering many of the actions in our action plan to reduce child poverty.

In addition, we are introducing child poverty analysis to our service planning and commissioning arrangements. This is to ensure appropriate consideration is given to child poverty across the board. We are also starting to measure the impact of existing initiatives to help us understand what activities are making the most difference and where we need to prioritise resources.

### CHILD POVERTY ACTION PLAN 2009-2012

This action plan captures planned actions from across the Council and partner organisations which will impact on tackling child poverty and mitigating its effects.

ACTIVITY	OUTPUT	LEAD CPDG AND LEAD OFFICER	BY WHEN
<b>REMOVING BARRIERS TO WORK</b>			
Pull together existing research findings to identify gaps where additional research required and pilot a more in-depth strategic needs analysis	Better targeting of interventions and smarter commissioning across the Partnership	Children and Families Trust Lead officer: Anthony Walters	September 2009
Deliver the nursery education pilot for 2 year olds	344 free places of high quality nursery education to 2 year old children from the most disadvantaged communities delivered by March 2011 (197 by 2010)	Children and Families Trust Lead officer: Jo Green	March 2011
Deliver a publicity campaign promoting benefits of childcare and highlighting funding streams available	Successful implementation of Two Year Old offer with high take-up of places by low-income families; increase in take-up of childcare element of Working Tax Credit; greater awareness of benefits of childcare and funding streams	Children and Families Trust Lead officer: Jo Green	March 2011
Provide training on sign-posting and careers advice to frontline professionals working with families	2 training sessions held for Children's Centre staff  2 training sessions held for Extended Services staff	Children and Families Trust Lead officer: Sarah Gale	September 2009  December 2009
Offer structured support opportunities for parents and carers to gain employment and appropriate access to childcare	Over 600 participants offered ESOL provision and the opportunity to gain qualifications and the experience of work	Children and Families Trust and A Prosperous Community Lead officer: Fiona Paterson	September 2010

ACTIVITY	OUTPUT	LEAD CPDG AND LEAD OFFICER	BY WHEN
Improve the flexibility of learning and development opportunities for part-time workers and those with family commitments	Greater opportunities for home learning, more flexible times for course delivery and revision of access to skills training	A Prosperous Community Lead officer: Mark Grimley	Learning and Development Strategy agreed December 2009
Develop a Multi Area Agreement (MAA) with the other 4 Olympic host boroughs	MAA signed off by June 2009 with joint commissioning in place September 2009	A Prosperous Community Lead officer: Sue Hinds	September 2009
Develop and deliver a specific programme of employment advice, outreach and support, with additional financial incentives for homeless families in temporary accommodation	94 homeless households supported into employment by mid 2010	A Prosperous Community Lead officer: Zakia Anwar	September 2010
Develop a full job brokerage and supported employment service to those who are known to secondary mental health services	185 people (including 45 young people) with mental health needs supported into employment	A Prosperous Community Lead officer: Kit Wong	September 2010
Establish an expanded specialist employment and training support service for people with disabilities (learning, physical disability and sensory impairment and people with long term conditions) of all ages to access employment and training, including the establishment of a social enterprise primarily for people with a learning disability	30 people with disabilities supported into employment	A Prosperous Community Lead officer: Deborah Cohen	September 2010
Implement our Employment strategy action plan and continue the City Strategy initiative to develop a family focused approach to tackling worklessness	Increased engagement of families who are not working and 1,000 local residents supported back to employment	A Prosperous Community Lead officer: Sue Hinds	March 2011

ACTIVITY	OUTPUT	LEAD CPDG AND LEAD OFFICER	BY WHEN
<b>DEVELOPING PATHWAYS TO SUCCESS</b>			
Develop a comprehensive apprenticeship scheme in the public sector and launch through public, community and voluntary partners	At least 100 new apprenticeships launched through the Council and Tower Hamlets College  600 young people successfully engaged in apprenticeships	Children and Families Trust Lead officer: Kevin Munday	April 2009  March 2012
Pilot project with schools to provide part-time paid work experience for parents to train as Parent Support Partners	8 schools supported to recruit and employ a Parent Support Partner for one year; 15 Assistant Parent Support Partners recruited and employed for one year	Children and Families Trust Lead officer: Sarah Gale	March 2010
Engage young people in full-time volunteering opportunities within the local authority, offering them training at Level 2, as appropriate to their placements, helping them into jobs when they leave	15 young people successfully complete 44 week volunteering programme undertaking placements across Children's Services and achieve qualifications at Level 2; services benefit from increased involvement of young people in service delivery	Children and Families Trust Lead officer: Camelia Baugh	March 2010
Put in place career progression routes for young people linking with local education and work-based training providers	Sector pathways modelled around the first four Diploma lines of learning  Collaborative learning programmes and career progression routes in place around all 14 Diploma lines of learning	Children and Families Trust Lead officer: Wendy Forrest	September 2010  September 2012
Roll out 'Passport to Employability' across the borough	The majority of schools to be participating in the programme by 2012	Children and Families Trust Lead officer: Im Rahman	March 2012



ACTIVITY	OUTPUT	LEAD CPDG AND LEAD OFFICER	BY WHEN
Develop employment networks to enable a coordinated approach to employment and training	Increased employment rates and reduction in young people NEET; improvements in referrals publicity and information available on what's important	A Prosperous Community Lead officer: Shazia Hussain	4 paired employment networks by July 2009  Evaluation complete by March 2010
Further develop career progression schemes e.g. Positive Action Scheme, first line management, apprenticeships and management programmes	Increased attraction of local people to careers and progression within the Council	A Prosperous Community Lead officer: Mark Grimley	January 2012 (with strategy progress reported annually)
<b>BREAKING THE CYCLE OF POVERTY</b>			
Provide targeted learning programmes for each significant group of 14-18 learners at risk of becoming NEET, including an increase in work experience opportunities for those leaving care	September Guarantee completed and 100% of young people leaving years 11 and 12 offered a learning opportunity  First 40 young people not in employment, education or training benefit from a programme of work experience	Children and Families Trust Lead officer: Kevin Munday	October 2009  March 2010
Implement action plan to raise GCSE results to be the best in the country	Percentage of pupils getting 5 A*-C grade GCSEs to increase to 45% in 2010	Children and Families Trust Lead officer: Carmel Littleton	March 2010
Put in place two new choice advisors to support transition into compulsory post 16 education	Post 16 transition pack developed for parents	Children and Families Trust Lead officer: Sarah Gale	March 2010
Share and implement best practice on how to raise qualification levels by age 19 while narrowing the attainment gap for those from poorer homes	Percentage of young people achieving Level 2 by 19 to increase to 72% by 2011; the percentage of young people achieving Level 3 by 19 to increase to 46% by 2011	Children and Families Trust Lead officer: Vicky Shearn	March 2011

ACTIVITY	OUTPUT	LEAD CPDG AND LEAD OFFICER	BY WHEN
Develop family support and parenting programmes for prisoners and ex-prisoners and their families, resident in Tower Hamlets prior to and following their release	Pilot initiative of support for offender's families rolled out into PACT visiting centres in three London prisons  Strengthening Families Strengthening Communities programme introduced into one London prison by December 2009	Children and Families Trust  Lead officer: Nikki Bradley	July 2009  December 2009
Further involve our university partners in preparing more young people for Higher Education and support a third of young people into university at 18, creating formal links between schools and higher education institutes	Reduce to zero the gap between young people from low income families and their peers going onto Higher Education by 2011	Children and Families Trust  Lead officer: Alan Watts	March 2011
Deliver programmes for young people from workless families to help them understand the demands of the workplace	Percentage of young people NEET reduced to 6% by 2011	Children and Families Trust  Lead officer: Tina Sode	March 2011
<b>MITIGATING THE EFFECTS OF POVERTY</b>			
Provide world-class ICT equipment to all of our schools through the Building Schools for the Future programme	New managed service provided to first BSF sample site by October 2009	Children and Families Trust  Lead officer: Ann Sutcliffe	October 2009 (BSF programme then ongoing)
Implement ASPIRE to target the most vulnerable young women, at highest risk of becoming pregnant, and deliver 3 programmes, targeting 40-50 vulnerable girls	Support packages delivered to first group of young women by March 2010	Children and Families Trust  Lead officer: Mary Durkin	March 2010
Provide incentives for families with young children to engage with their local Children's Centre and become involved in activities that support their child's development	Child Development Grants provided to families in 15 of the borough's 21 Children's Centres by March 2010	Children and Families Trust  Lead officer: Gill Wrobel	March 2010

ACTIVITY	OUTPUT	LEAD CPDg AND LEAD OFFICER	BY WHEN
Provide more opportunities for play through the Play Strategy and Play Pathfinder	Play opportunities promoted within Tower Hamlets through direct engagement with at least 75% of schools	Children and Families Trust Lead officer: Claire Hatton	March 2010
Implement year 2 of the BIG Children's Play Programme	Increase in number of children and young people from all backgrounds actively participating in play activities that contribute to improved physical health and well-being	Children and Families Trust Lead officer: Colin Stuart	March 2010
Rebuild/refurbish all secondary schools through Building Schools for the Future and upgrade the primary school estate through Primary Strategy for Change	Development commences on next phase of BSF schools and first phase of PSfC by March 2010	Children and Families Trust Lead officer: Ann Sutcliffe / Pat Watson	March 2010 (BSF and PSfC programmes then ongoing)
Increase availability of healthier food choices in children's centres, schools, leisure and community centres, shops, cafes, restaurants and take-aways through incentive and award schemes and explore the possibility of limiting the number of new fast food outlets	Achieve obesity among primary school age children in year 6 target of 23.8% by March 2012	Children and Families Trust and A Healthy Community Lead officer: Esther Trenchard-Mabere	March 2012
Widen the range of cultural activity on offer to children and young people and their families through the Find your Talent Pathfinder	Significant increase in the proportion of young people accessing 5 hours of cultural activities a week (as measured through external evaluation) and gaining accredited outcomes	Children and Families Trust Lead officer: James Stevens	July 2011

ACTIVITY	OUTPUT	LEAD CPDG AND LEAD OFFICER	BY WHEN
Develop a comprehensive overcrowding reduction strategy which will set out how the Council will use all policy actions at its disposal to reduce overcrowding	An additional 500 overcrowded families to be helped to move into appropriate accommodation that meets their needs	A Great Place to Live Lead officer: Jackie Odunoye	2012 (with an indicative overcrowding reduction target to be achieved annually in 2010 and 2011)
Deliver programme of youth arts projects across the borough	Minimum of 39 young people to achieve accredited outcomes and a minimum of 189 to receive recorded outcomes	A Great Place to Live Lead officer: Senior Arts and Events Manager	In place April 2009
Increase active travel in daily life as part of the Healthy Borough programme	Healthier lifestyles promoted to children and families	A Great Place to Live Lead officer: Margaret Cooper	March 2010
Develop a Corporate Debt Recovery Strategy	Increase cross Council Directorate working to prevent inappropriate enforcement action being taken	A Prosperous Community Lead officer: Roger Jones	December 2009
Maximise income to those on low income in response to the financial impact of the current economic climate	Establishment of Benefits Service Take Up Team Maximise benefit on families with low income by an additional £250,000	A Prosperous Community Lead officer: Steve Hill	September 2010  March 2010
Deliver a programme for children and the over 60s to access free swimming sessions at any of the borough's leisure centres during public swimming sessions	Increased number of under 16s and those aged 60+ accessing and benefiting from free swimming in the borough	A Healthy Community Lead officer: Michelle Davies	March 2010

ACTIVITY	OUTPUT	LEAD CPDG AND LEAD OFFICER	BY WHEN
<p>Deliver a programme for all the borough's residents to have access to free swimming at all of the borough's leisure centres</p>	<p>Increased number of residents in the borough accessing and benefiting from free swimming</p>	<p>A Healthy Community Lead officer: Michelle Davies</p>	<p>March 2010</p>
<p>Implement a range of actions in the Homelessness Strategy to tackle child poverty; this includes a pilot programme of 4 Family Support Workers providing outreach support to families living in temporary accommodation with children under 5, signposting them to Children's Centres and health visiting services</p>	<p>50 families a month registered with Children's Centres</p>	<p>A Healthy Community Lead officer: Zakia Anwar</p>	<p>December 2010</p>
<p>Implement Parks Outreach programme as part of the Healthy Borough programme</p>	<p>Greater use of parks and participation in activities which promote physical activity in diverse communities</p>	<p>A Healthy Community Lead officer: Colin Stuart</p>	<p>Outreach programme to commence September 2009  Evaluation by March 2010</p>



# Agenda Item 9.1

<b>Committee:</b> Cabinet	<b>Date:</b> 6 May 2009	<b>Classification:</b> Unrestricted	<b>Report No:</b>	<b>Agenda Item</b> :
<b>Report of:</b>  Corporate Director: Steve Halsey, <b>Communities Localities &amp; Culture</b>  Originating officer(s): Heather Mallinder, Operations manager, Community Safety Service		<b>Title:</b>  Joint Drinking Control Zone with LB Hackney for Arnold Circus and Shoreditch  <b>Wards Affected:</b> Weavers		

## 1 SUMMARY

- 1.1 The report seeks Cabinet's endorsement for the proposal for Council to authorise the implementation of a further Drinking Control Zone (DCZ). Following the statutory public consultation, as a joint initiative with the London Borough of Hackney in the area around Arnold Circus and St Leonard's Church Shoreditch. The area has a history of anti-social behaviour associated with street drinking and the proposed DCZ has strong support from Weavers Safer Neighbourhood Team.
- 1.2 The establishment of a DCZ is a Council not an executive function, but the endorsement of this proposal by Cabinet is sought, given Cabinet's wider role in relation to community safety.

## 2 RECOMMENDATIONS

Cabinet is recommended to:-

- 2.1 Endorse the proposal to undertake statutory consultation for a Drinking Control Zone in accordance with the Criminal Justice and Police Act 2001 (and associated regulations), in Arnold Circus and the surrounding area as indicated in the plan attached at Appendix A to this report.

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**Local Government Act, 1972 Section 100D (as amended)**  
**List of "Background Papers" used in the preparation of this report**

Brief description of "background papers"	Name and telephone number of holder and address where open to inspection.
Criminal Justice and Police Act 2001	Heather Mallinder x 6107
Tower Hamlets Partnership Crime and Drug Reduction Strategy	Emily Fieran – Reed x 0248

- 2.2 Recommend to Full Council that the Director of Communities Localities & Culture be authorised to:
- (a) Consider any representations received to the consultation referred to in 2.1 above.
  - (b) Approve the making of the proposed Drinking Control Zone for the area indicated on the plans attached as Appendix A.
  - (c) Consider the inclusion of any additional areas within the Drinking Control Zone, referred to above, identified during the consultation as appropriate for such inclusion.

### **3 BACKGROUND**

- 3.1 As part of the Council's strategy to deal with street drinking and the associated anti-social behaviour two Drinking Control Zones were introduced, one in Whitechapel and one in Bethnal Green (Museum Gardens and Bethnal Green Gardens) in August 2006.
- 3.2 The current Grade 1 listed church of St Leonard's in Shoreditch dates from about 1740, although there has been a church on this site since Saxon times. The church being famous for the nursery rhyme Oranges and Lemons – "When I grow rich, say the bells of Shoreditch" , is also noted as being the resting place of many actors from Shakespeare's time, when the area hosted England's first purpose built playhouse.
- 3.3 St Leonard's continues to be a place of worship and is a significant focal point for the local community within this historically rich and culturally vibrant area. The surrounding church yard is now a public park and is in constant use as a place of recreation by both Hackney and Tower Hamlets residents and visitors to both boroughs.
- 3.4 At the other end of Calvert Avenue there is Arnold Circus which encircles a Grade 1 listed bandstand, which is the centrepiece of the nearby Boundary Estate. It comprises a central garden and bandstand, which is now preserved by English Heritage and subject to a substantial regeneration project by Parks and Open Spaces.
- 3.5 Recently residents and local businesses have expressed their concerns regarding alcohol related anti-social behaviour in the area around St Leonard's Church, Calvert Avenue and Arnold Circus. Particularly an increase in the number of incidents in relation to the churchyard and bandstand areas.
- 3.6 There have been recent incidents identified by the Community Safety Services ASB disorder Patrols of groups of youths congregating in Calvert Avenue and the band stand in Arnold circus causing nuisance and disorder. They were clearly



under the influence of alcohol. Their behaviour included making an excess noise, pushing and shoving each other and spitting. The youth are congregating in groups of up to seven at a time. One arrest was made on 27 February 2009.

- 3.7 Information received from LB Hackney concur with the findings of LB Tower Hamlets that street drinking is a significant contributor to ASB in the local area. With a large number of incidents recorded between October 2007 and September 2008 being linked to excessive consumption of alcohol.
- 3.8 In addition to the recorded 999 calls during this period there have been increasing complaints from residents and businesses in regard to the rising levels of alcohol related ASB. The data in table 1 below shows that in the relevant period, there were 457 incidents in the immediate area. The criteria for selection were any call relating to violence, noise, hate crime or anti-social behaviour. This activity peaks in the summer months between the hours of 9.00pm and 3.00am.

**Table 1**

<b>CADMIS (999) Call Type</b>	<b>1<sup>st</sup> October 2007 to 30<sup>th</sup> September 2008</b>	<b>% of Total</b>
Violence against the person	204	44.6
Rowdy / inconsiderate behaviour	141	30.8
Criminal Damage	43	9.5
Robbery	27	5.9
Street Drinking	17	3.7
Other	25	5.5
<b>Totals</b>	<b>457</b>	<b>100</b>

- 3.9 Further research shows that within the proposed DCZ boundary area there was a heavy concentration of 180 crimes between 1<sup>st</sup> April 2008 and 31<sup>st</sup> August 2008. More than 50% of these consisted of allegations of Theft (27%), Drug Possession (19%) and Pick- pocketing (6%). In the same period there were 149 calls to the police directly relating to ASB, including begging/ vagrancy issues, street drinking, noise, prostitution, substance misuse and rowdy / inconsiderate behaviour.
- 3.10 Whilst the table shows street drinking complaints to comprise only 3.7% of the total offences relating directly to the consumption of alcohol within this area are known to be under reported. Many are alcohol related, especially the reports of ASB, street drunkenness, begging, noise nuisance and criminal damage. This is not always recorded on the police CRIS crime reporting system.
- 3.11 The precise nature and numbers of street drinkers in the area tends to vary. To better understand this and to examine the work already undertaken with this group further research is being undertaken by the Spitalfields Crypt Trust. The Trust is a charity based at the junction of Calvert Avenue and Shoreditch High

Street that regularly conducts outreach work with the street drinkers. The Trust offers education and training whilst helping service users to address their addictions to alcohol and substance misuse.

- 3.12 In addition to this service the Tower Hamlets Drug and Alcohol Action Team (DAAT) will be providing an extra outreach worker to work along side the Trust and Community Safety Operations Team to encourage street drinkers to build links in the community and engage with support services to enable them to move away from the street lifestyle

#### **4 Proposed Drinking Control Zone**

- 4.1 Both the London Borough of Tower Hamlets and the London Borough of Hackney are keen to work in partnership to find solutions to these alcohol related problems, looking at ways of tackling them as part of a wider programme of work that includes joint police patrols in the area, and outreach and counselling programmes working with street drinkers.
- 4.2 The Drinking Control Zone is defined under a Designated Public Place Order (DPPO) which grants Police Officers and Police Community Support Officers (and Generic Enforcement Officers under the Community Safety Accreditation Scheme) the power to seize and confiscate alcohol being consumed in a designated area by persons acting in an anti-social manner. Offenders who fail to comply may be prosecuted or issued a fixed penalty notice.
- 4.3 Designated Public Place Orders are made by local authorities using powers under section 13 of the Criminal Justice and Police Act 2001 as amended by section 26 of the Violent Crime Reduction Act 2006 and the Local Authorities (Alcohol Consumption in Designated Public Places) Regulations 2007.
- 4.4 Any such designated public place is one where the local authority is satisfied that nuisance, annoyance or disorder is associated with the consumption of intoxicating liquor in the area.
- 4.5 In order to make such a designation, a statutory consultation process must be undertaken, taking into account any research and recent complaints and have due regard to the representations of the police, Community Safety Services and the local Safer Neighbourhood Teams.
- 4.5 The proposed area for the Drinking Control Zone includes the churchyard surrounding St Leonard's Church, Boundary Street, Calvert Avenue, Austin Street, Virginia road, Hocker Street and Arnold Circus (including Boundary Gardens and bandstand).
- 4.7 The effect of this proposal would be to control alcohol consumption in the designated public place and provide the Police and Tower Hamlets Enforcement

Officers with additional powers to deal with ant-social behaviour and unruly individuals who drink alcohol in the streets, park, gardens and bandstand.

- 4.8 The process for implementing a Drinking Control Zone requires that local consultation be undertaken with both the public and affected businesses being given the opportunity to comment on the proposal. Newspaper advertisements will publicise the intended measures and will offer the opportunity for further comment. All households in the area have been sent an information leaflet.
- 4.9 The regulations of the CJPA require the licensees of all premises selling alcohol within any proposed control zone to be consulted. A formal notice of consultation will be placed in East End life.
- 4.10 If, following formal consultation, the Drinking Control Zone is adopted, there will be an obligation to announce the area affected and the commencement date. This will be managed by the delivery of an information leaflet to every home and business in and around the zone and by a formal notice in East End Life.
- 4.11 Table 2 below details an estimated cost of the consultation and implementation of the proposed zone.

**Table 2**

Newspaper Advertising	£7,500
Signage for the Zone	£1,500
Leaflet Campaign (consultation)	£1,000
Leaflet Campaign (launch)	£1,000
Total	£11,000

- 4.12 All costs are non-recurrent and will be met from within the Community Safety Services existing budgets. The enforcement of the zone will be met within existing police and partnership budgets.

## **5 COMMENTS OF THE CHIEF FINANCIAL OFFICER**

- 5.1 No specific financial implications emanate from this report with the exception of costs associated with consultation and advertising, which are detailed in paragraph 4.11, and will be met from within approved Community Safety Services Budgets in 2009/10.

## **6 CONCURRENT REPORT OF THE ASSISTANT CHIEF EXECUTIVE (LEGAL)**

- 6.1. The Council has power under the Criminal Justice and Police Act 2001 (“CJPA”) to make an order designating a part of the Borough as a “public place” and to control the drinking of alcohol in the designated public place. This is generally

referred to as a drinking control zone (“a DCZ”). A DCZ works by giving the police powers to request a person who is within the DCZ either not to consume alcohol within his or her possession or to surrender that alcohol to the officer. Criminal liability will only arise in the event of failure to comply.

- 6.2. The making of an order designating a DCZ is a non-executive function that falls within the responsibility of Full Council under the Council’s Constitution. It is, however, open to Cabinet to provide an endorsement of the proposed order to Full Council if it chooses.
- 6.3. The Council can only consider making a DCZ where it is satisfied that either nuisance or annoyance is being caused to members of the public or a section of the public or disorder has been associated with the consumption of alcohol in that place. The Council should also be satisfied that the making of the DCZ is both necessary and proportionate, having regard to its obligations under the Human Rights Act 1998. The DCZ should be necessary, achieve a fair balance and not go beyond what is strictly necessary to achieve the purpose involved.
- 6.4. The Local Authorities (Alcohol Consumption in Designated Public Places) Regulations 2001 specify procedural steps that the Council must take before making an order and also for the order to take effect. These include requirements for consultation which have been complied with. There is a requirement for publication of notice of the order which will have to be carried out.

## **7 ONE TOWER HAMLETS CONSIDERATIONS**

- 7.1 The provision of a Drinking Control zone in the Arnold Circus area involves actively engaging the communities through consultation and has been proposed as a result of the very positive feedback from the local communities for the initiative.

## **8 SUSTAINABLE ACTION FOR A GREENER ENVIRONMENT**

- 8.1 Complaints about street drinkers include references to littering and their use of doorways, alleyways and open spaces for urination and defecation. Controlling alcohol consumption will reduce the amount of litter and create a more welcoming environment.
- 8.2 Any zone established under the CJPA must have ‘adequate’ signage. The majority of signs will be displayed on the streets and open spaces with the remainder deployed in the bandstand and churchyard areas. Every effort will be taken to ensure that the signage is effective while not overly obtrusive.

## **9 RISK MANAGEMENT IMPLICATIONS**

- 9.1 The key risks associated with this proposal are set out below. The mitigating action associated with each risk is designed to ensure successful outcomes.
- (a) Consultation does not support the proposal: a strong case has been made on the basis of evidence and stakeholder consultation. The point of formal consultation is to check against community views, but the initial work indicates that the proposal will be welcome.
  - (b) The DCZ is not effectively implemented: close partnership working, building on the experience of the other DCZ's in the borough will ensure effective implementation. The introduction of the Borough's THEO's will provide additional enforcement. All activity will be monitored through the partnership structure.
  - (c) The DCZ is not effective in tackling the negative impact of street drinking: work on the other zones has helped to prove the effectiveness of this strategy and will be monitored.
  - (a) The DCZ results in displacement: this will be carefully monitored and contingency plans, which could include proposing an extension of the zone, implemented as necessary,
  - (e) The DCZ will also contribute to ensuring that the Council meets the targets set in the National Indicators:
    - NI 41 – Perceptions of drunk or rowdy behaviour as a problem
    - NI 27– Understanding the local concerns about anti-social behaviour and crime by the local community.
    - NI17 - Perceptions of anti-social behaviour.
    - NI21 – Perceptions that the Police and Local Authority are dealing with crime and anti-social behaviour

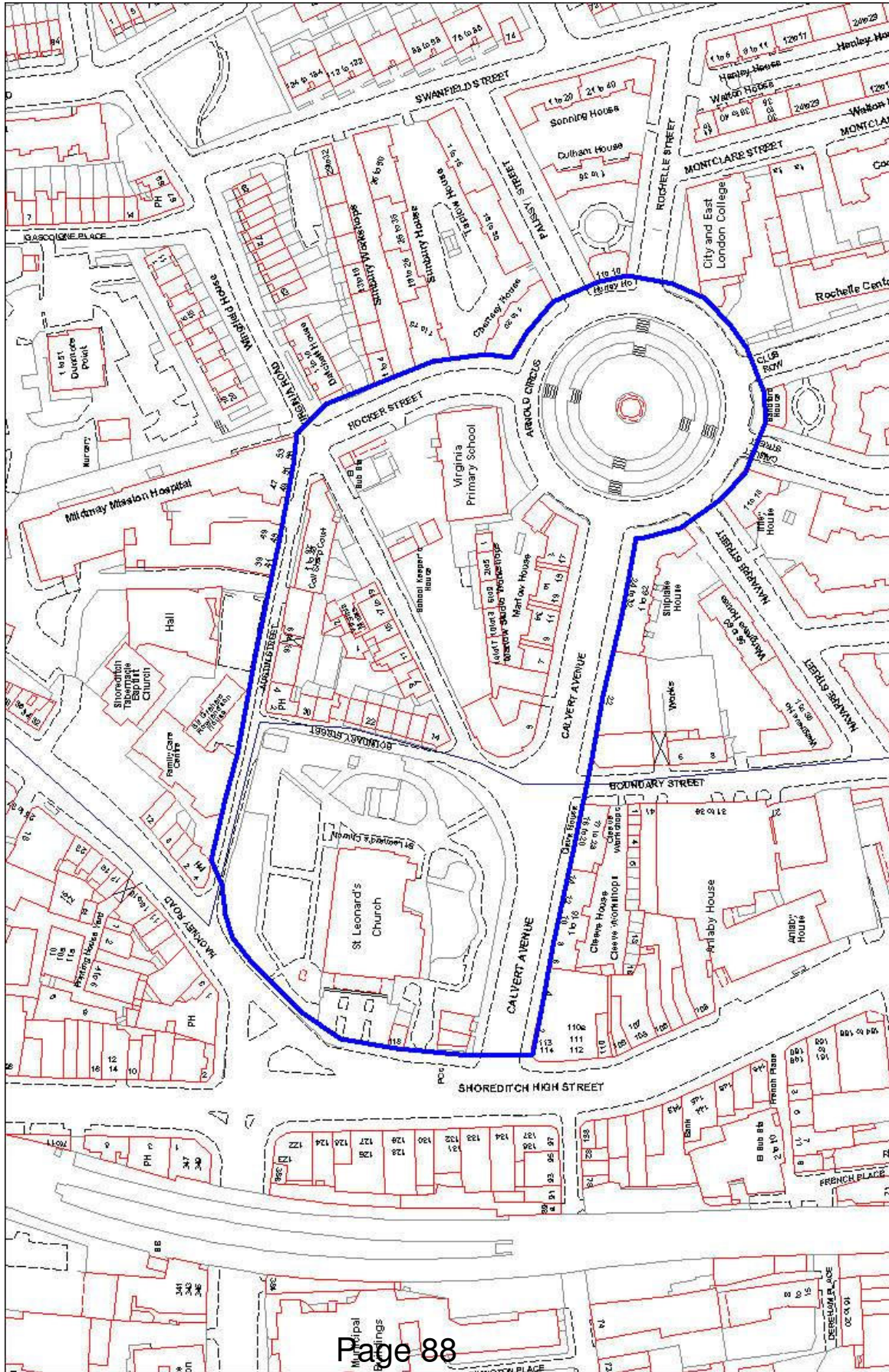
## **10 EFFICIENCY STATEMENT**

- 10.1 The partnership approach with LB Hackney will act as a deterrent to rowdy drunken behaviour and general anti-social behaviour as a result of consuming alcohol by increasing the enforcement powers available to deal with these issues in the area.

## **11. APPENDICES**

**Appendix 1 – Map of the proposed Drinking Control Zone.**

# Appendix 1 – Map of the proposed Drinking Control Zone.



Committee: Cabinet	Date: 6 May 2009	Classification: Unrestricted	Report No:	Agenda Item No:
Report of: Aman Dalvi Corporate Director D&R and Isabella Freeman ACE (LS)		Title: Five Boroughs Olympic Joint Committee		
Originating Officer(s):		Wards Affected: All		

## 1. SUMMARY

- 1.1 By virtue of an Agreement of 2006 (the Inter Authority Agreement) between the five host boroughs for the 2012 Olympic and Paralympic Games, co-operative joint working has taken place to secure local benefits and a sustainable legacy from the Games. This has proved to be a successful venture so far and the Five Boroughs collective has become increasingly the focus for third party Olympics related approaches.
- 1.2 The Five Boroughs arrangements were purposely not formalised and functions of the boroughs have not been exercised through them. It is now considered that to strengthen the partnership working of the Boroughs and to enable more effective and efficient outcomes it would be beneficial to establish a joint committee of the Five Boroughs exercising a range of executive functions insofar as they relate to joint activities or areas of common concern in relation to the 2012 Olympic and Paralympic Games.
- 1.3 This report is being submitted to the executives of the Five Boroughs and each is being requested to approve the recommendations to enable the establishment of a joint committee from 1 June 2009.

## 2. RECOMMENDATIONS

Cabinet is recommended to:-

- 2.1 Approve the establishment of a joint committee of the Five Host Boroughs for the 2012 Olympic and Paralympic Games as more particularly described in the Memorandum of Understanding (Appendix A to this report) with effect from 1 June 2009;
- 2.2 Agree the Memorandum of Understanding and authorise the Chief Executive to give effect to any matter necessary to achieve its objectives including agreement of a revised Inter Authority Agreement;

- 2.3 Agree the terms of reference specified in Appendix 1 to the Memorandum of Understanding and that the delegation of executive functions be discharged by the joint committee with effect from 1 June 2009;
- 2.4 Nominate two members to be the Council's representatives on the joint committee for the municipal year 2009/10 pursuant to paragraph 4.7 of this report.

### **3. BACKGROUND**

- 3.1 On 31 August 2006, the London Boroughs of Greenwich, Hackney, Newham, Tower Hamlets and Waltham Forest entered into an Inter Authority Agreement to work together to develop and implement a co-ordinated programme of activities and issues that arise as a result of the 2012 Olympic and Paralympic Games for the purposes of securing local benefits and a sustainable legacy for the geographical areas of the Five Boroughs.
- 3.2 The Agreement sought to facilitate strategic and operational coherence to the collaborative work of the Boroughs in relation to the Games and to aid that a Central Joint Borough Unit was established and the pooling and sharing of costs was agreed whereby each Borough would pay an agreed annual contribution for the currency of the Agreement.
- 3.3 As envisaged in the Agreement the chief executives of the Five Boroughs have met regularly as have the Leaders and Mayors and matters of mutual and collective interest have been considered. In accordance with the Agreement these meetings have not been formally constituted and have not exercised any of the functions of the constituent Councils.
- 3.4 As these arrangements have become established within the Boroughs and with external organisations such as the Olympic Development Authority, London Organising Committee for the Olympic and Paralympic Games, London Councils and the Department for Culture, Media and Sports the Five Boroughs collective has become the focal point for issues arising and impacting from the Games. Consequently, the efficiency and effectiveness of the collective arrangements would be enhanced greatly if they were formalised and a joint committee established to exercise specific executive functions in relation to the Games.
- 3.5 It is proposed that a joint committee be established in accordance with the Memorandum of Understanding attached as Appendix 1 hereto and that the



executive of each of the Boroughs be invited to approve these arrangements.

#### **4. LEGAL FRAMEWORK**

4.1 In order to establish a body with the power to discharge functions of the individual Boroughs each must agree to such arrangements in accordance with the provisions of the Local Government Act 1972 and 2000 and subsequent regulations.

4.2 Section 101(5) of the Local Government Act 1972 provides that two or more local authorities may discharge any of their functions jointly and that where joint arrangements are in force in respect of any functions, those functions may be discharged through a joint committee established by the authorities.

4.3 Section 101(2) of the Local Government Act 1972 provides that unless the joint arrangements specify otherwise, a joint committee can also establish a sub-committee to discharge any of its functions or delegate functions to an officer and unless the joint arrangements or joint committee specify otherwise, a sub-committee established by a joint committee may delegate functions to an officer.

4.4 Appointments to a joint committee are made under Section 102(1)(b) of the Local Government Act 1972 and the establishment of a joint committee is governed by The Local Authorities (Arrangements for the Discharge of Functions) (England) Regulations 2000, issued under Section 20 of the Local Government Act 2000. the relevant Regulations provide:

(a) Regulation 11(2A) – where a joint committee is established to discharge more than one function by the same authorities at the same time and at least one of those functions is an executive function in at least one authority, the joint arrangements may provide for one joint committee to discharge all the functions on behalf of all the authorities.

(b) Regulation 11(3A) – the decision on appointment to a joint committee should be taken by either the elected mayor, the council manager, the executive leader, the executive, a member of the executive or a committee of the executive (dependant on the detailed executive arrangements that are being operated by the authority), where the joint committee is to discharge only executive functions on behalf of the executive of the authority.

(c) Regulation 12(1) – where the executive is responsible for deciding on the appointment of members to a joint committee, an executive

Member must be appointed to the joint committee and the political balance requirements do not apply.

(d) Regulation 12(1A(a)) – where a joint committee is discharging a function in relation to five or more local authorities and the executive is responsible for deciding on the appointment of members, both executive and non-executive members may be appointed to the joint committee by the executive and the political balance requirements do not apply.

4.5 At present the law does not permit local authorities to discharge their functions through non local authority bodies or through mixed bodies. Therefore, stakeholders and other partners will be involved in the operation of the joint committee as observers and in an advisory capacity only.

4.6 It is proposed that the joint committee should exercise only executive functions and thus approval of the arrangements, delegation of functions to be discharged by the joint committee and the appointment of members to the joint committee can be effected by the executive of each authority.

#### Membership

4.7 The joint committee will comprise 10 members, two nominated by the executive of each Borough. It is anticipated that the Leader or elected Mayor will be nominated and one other Member. Given that only executive functions are to be exercised by the joint committee it is likely that the second members will be executive members although the law does enable the appointment of non-executive members when the joint committee comprises five or more authorities.

4.8 The maximum term of office for any nomination may not exceed a Member's remaining term in office, so as London elections are due in 2010, initially appointments may not exceed beyond the end of the current municipal year.

4.9 The Chair will be appointed at the first meeting of the joint committee. It should be noted that the Five Boroughs have agreed and recorded in the Memorandum of Understanding that the Chair should be the Mayor of Newham but this cannot preclude the appointment of the Chair by the joint committee at its first meeting.

#### Quorum and Voting

4.10 It is important that decisions affecting any particular Borough are not taken without that Borough being represented at the meeting and consequently the quorum for meetings of the joint committee shall be at least one member from each Borough.

- 4.11 Similarly it is considered that the joint committee should not be able to determine matters in relation to a particular Borough if that Borough's representatives do not agree to the proposal. However, where there is no unanimity but several Boroughs wish to pursue a matter together without affecting all Boroughs, provision should be made to facilitate that. Thus, each Member of the joint committee will have one vote and all decisions of the joint committee must be unanimous to be effective in relation to all five boroughs, but two or more boroughs may decide to pursue initiatives together in the absence of unanimity. Where it is not possible to reach unanimity on an issue to be decided, any Member of the joint committee may propose that a qualified vote is taken so that any decision on the issue will only be effective in relation to the two or more boroughs where there is unanimity between the members present at the joint committee from those two or more boroughs.

#### Sub Committees

- 4.12 The joint committee will be able to establish decision making sub-committees to discharge specific functions and it is proposed that any sub-committee established by the joint committee will comprise one Member from each borough.
- 4.13 As with the joint committee, all decisions of any sub-committee(s) established by the joint committee must be unanimous to be effective in relation to all five boroughs, but two or more boroughs may decide to pursue initiatives together in the absence of unanimity. Therefore, where it is not possible to reach unanimity on an issue to be decided, any Member of a sub-committee may propose that a qualified vote is taken so that any decision on the issue will only be effective in relation to the two or more boroughs where there is unanimity between the members present and the sub-committee from those two or more boroughs

#### Delegation to Officers

- 4.14 The joint committee will be able to delegate specific functions to officers.

#### Constitution and Procedures

- 4.15 As a joint committee exercising executive functions of local authorities the legal requirements in relation to meetings of executives will apply. Meetings will be held in public unless the joint committee resolves to exclude the public to prevent the disclosure of confidential or exempt material, and the timetable for consideration of any key decisions will require the publication of a forward plan.

- 4.16 Once established, the joint committee will adapt a Constitution and procedure rules to cover all areas of process and conduct.

#### Overview and Scrutiny

- 4.17 A joint committee is subject to overview and scrutiny requirements under Section 21(2)(a) of the Local Government Act 2000 which provides that executive arrangements by a local authority must ensure its overview and scrutiny committee (or its overview and scrutiny committees between them) have power to scrutinise decisions made, or other action taken, in connection with the discharge of any functions which are the responsibility of the executive.
- 4.18 The 'call in' provisions also apply to a joint committee under Section 21(3) of the Local Government Act 2000 which provides that the above power of an overview and scrutiny committee under Section 21(2)(a) to review or scrutinise a decision made but not implemented, includes power to recommend that the decision be reconsidered by the person who made it.
- 4.19 It has not been possible to identify a statutory power enabling the establishment of a joint overview & scrutiny committee (save for matters relating to health) and it is therefore currently envisaged that the single process will require the Overview & Scrutiny Committee in each of the five boroughs to establish a sub-committee for the specific purpose of scrutinising decisions of the joint committee. Each of the sub-committees established will have uniform terms of reference and adhere to a uniform process for scrutiny and 'call in' of decisions of the joint committee. The scrutiny process will be administered by the clerk to the joint committee.
- 4.20 In the event that a decision of the joint committee is 'called in' by a scrutiny sub-committee, the chief executive (or an officer designated by them) for the relevant borough will attend the scrutiny sub-committee together with one or both of the members nominated by that borough to the joint committee.
- 4.21 A decision of the joint committee will be held in abeyance pending the outcome of the 'call in' which will be either to concur with the decision in which case it may be implemented, or to refer it back to the joint committee with recommendations for an alternative course of action.

#### Functions

- 4.22 It is proposed that the executive functions to be discharged by the joint committee shall be as set out in Appendix 1 to the Memorandum of Understanding.

## Administration

- 4.23 Under the Inter Authority Agreement the London Borough of Hackney has been the lead borough for the employment and management of staff in the Joint Borough Central Unit and for discharging the annual budget. Additionally administrative support for meetings has been provided.
- 4.24 It is proposed that the executive functions to be discharged by the joint committee shall be as set out in Appendix 1 to the Memorandum of Understanding.
- 4.25 Hackney will continue to be lead borough for the employment and management of staff. The Executive Director of the Joint Borough Central Unit will be responsible for day to day management and direction of the Unit reporting to the joint committee through the Chief Executive's
- 4.26 Similarly, Hackney will continue to be lead borough for the budget which the joint committee will manage with power to propose variations to the level of contribution by each borough.
- 4.27 Hackney will also provide administrative support to the joint committee and the Chief Executive of Hackney will be formally designated as clerk to the joint committee.

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

- 5.1 The costs of administering the joint committee will be incurred by Hackney Council and will be shared between the five Boroughs. Information on the cost involved is not available at the time of drafting these comments but it is anticipated that it will be met from within existing budgets.
- 5.2. The setting of budgets is a matter reserved to the Council. The joint Committee has no powers to require a constituent Council to increase its overall budget. All decisions of the joint Committee will therefore either need to be met from within existing budgets or referred back to constituent

## **6. CONCURRENT REPORT OF ASSISTANT CHIEF EXECUTIVE (LEGAL)**

- 6.1 The legal powers to set up the Joint Committee are set out in the body of the Report. The operation of the Joint Committee will give the 5 Boroughs more force when negotiating legacy matters and funding with Government and other bodies including the Olympic Agencies. The Joint Committee does not take away any of the Council's in-Borough statutory functions; it will only deal with Olympic Park functions and related matters as set out in

the Terms of Reference. It provides for unanimous voting so the Council cannot be bound by other Boroughs without its own agreement.

## **6. ONE TOWER HAMLETS**

- 6.1 The Joint Committee through the proposed Olympic Legacy Multi Area Agreement will deal with proposals for Housing, Worklessness and Skills and Public Realm which will support the Council's Community Plan objectives to address all of these issues which have an impact on poverty within the Borough.

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

- 7.1 There are no implications arising from this report.

## **8. RISK MANAGEMENT IMPLICATIONS**

- 8.1 There are no implications arising from this report.

## **9. EFFICIENCY STATEMENT**

- 9.1 The work dealing with contractual matters and other arrangements is shared between the Boroughs so that efficiencies in resources are achieved.

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

Brief description of "back ground papers"	Name and telephone number of holder and address where open to inspection.
To be completed by author	To be completed by author ext. xxx

None

## **10. APPENDICES**

Appendix 1 – Memorandum of Understanding

**MEMORANDUM OF UNDERSTANDING**

**DRAFT 2**

**Five Host Boroughs London 2012 Olympic and Paralympic Programme**

**Establishment of a Joint Committee Introduction**

1. The London Boroughs of Greenwich, Hackney, Newham, Tower Hamlets and Waltham Forest (the five boroughs) have decided to establish a joint committee to discharge executive functions on behalf of the five boroughs in so far as they relate to joint activities or areas of common concern in relation to the 2012 Olympic and Paralympic Games.

2. This Memorandum of Understanding sets out the basis for operating the joint committee and associated activities as agreed between the five boroughs. The Memorandum and the terms of reference for the joint committee (which are attached as Appendix One) will be approved by the Executive for each of the five boroughs.

**Legal Framework**

3. Section 101 (5) of the Local Government Act 1972 provides that two or more local authorities may discharge any of their functions jointly and that where joint arrangements are in force in respect of any functions, those functions may be discharged through a joint committee established by the authorities.

4. Section 101 (2) of the Local Government Act 1972 provides that unless the joint arrangements specify otherwise, a joint committee can also establish a sub-committee to discharge any of its functions or delegate functions to an officer and unless the joint arrangements or joint committee specify otherwise, a sub-committee established by a joint committee may delegate functions to an officer.

5. Appointments to a joint committee are made under section 102(1)(b) of the Local Government Act 1972 and the establishment of a joint committee is governed by The Local Authorities (Arrangements for the Discharge of Functions) (England) Regulations 2000, issued under section 20 of the Local Government Act 2000. The relevant Regulations provide:

a) Regulation 11 (2A) - where a joint committee is established to discharge more than one function by the same authorities at the same time and at least one of those functions is an executive function in at least one authority, the joint arrangements may provide for one joint committee to discharge all the functions on behalf of all the authorities.

b) Regulation 11 (3A) – the decision on appointment to a joint committee should be taken by either the elected mayor, the council manager, the

executive leader, the executive, a member of the executive or a committee of the executive (dependant on the detailed executive arrangements that are being operated by the authority), where the joint committee is to discharge only executive functions on behalf of the executive of the authority.

c) Regulation 12(1) - where the executive is responsible for deciding on the appointment of Members to a joint committee, an executive Member must be appointed to the joint committee and the political balance requirements do not apply.

d) Regulation 12 - (1A(a)) where a joint committee is discharging a function in relation to five of more local authorities and the executive is responsible for deciding on the appointment of Members, both executive and non-executive Members may be appointed to the joint committee by the executive and the political balance requirements do not apply.

6. At present the law does not permit local authorities to discharge their functions through non local authority bodies or through mixed bodies. Therefore, stakeholders and other partners will be involved in the operation of the joint committee in an advisory capacity.

7. A joint committee is subject to overview and scrutiny requirements under section 21(2)(a) of the Local Government Act 2000 which provides that executive arrangements by a local authority must ensure their overview and scrutiny committee (or their overview and scrutiny committees between them) have power to scrutinise decisions made, or other action taken, in connection with the discharge of any functions which are the responsibility of the executive.

8. The 'call in' provisions also apply to a joint committee under section 21(3) of the Local Government Act 2000 which provides that the above power of an overview and scrutiny committee under section 21(2)(a) to review or scrutinise a decision made but not implemented, includes power to recommend that the decision be reconsidered by the person who made it.

9. The joint committee is not a separate legal entity and existing arrangements for lead boroughs to take on responsibility for particular activities will be made and/or continue to operate in accordance with the Inter Authority Agreement made between the five boroughs dated 31 August 2006.

#### **Inter Authority Agreement (IAA)**

10. The existing IAA excludes the operation of a joint committee and its terms will therefore be amended to remove that exclusion and also to give effect to other matters covered by this Memorandum of Understanding.

11. Under the terms of the IAA any variation must be agreed by each of the five borough Chief Executives and for the avoidance of doubt the Executive of



each of the five boroughs will also specifically delegate responsibility for agreement of the revised IAA to their respective Chief Executives.

### **Employment of Staff**

12. The IAA currently designates the London Borough of Hackney as lead borough for the employment and management of staff in the Olympics Joint Borough Central Unit (OJBCU - the five host boroughs unit)). This arrangement will continue and the Executive Director of the OJBCU will be responsible for day to day management/direction of the OJBCU, reporting to the joint committee through the Chief Executive's Board (see 15 below).

### **Annual Budget**

13. The IAA currently designates the London Borough of Hackney as lead borough for discharging the annual budget. This arrangement will continue and the joint committee will be responsible for managing the annual budget. As part of this function, the joint committee may also make proposals for any revision in the level of contribution made by each of the five boroughs to the annual budget for consideration as part of each of the five boroughs annual budget allocation process.

### **Five Borough Meetings**

14. The IAA currently provides for regular meetings of the five borough Chief Executives and the five borough Leaders and elected Mayors. When the joint committee is established the latter will cease but the Chief Executives will continue to meet as at present as the Chief Executives' Board.

### **Administration**

15. Administrative support for the meetings of the five borough Chief Executives and the five borough Leaders and elected Mayors is presently being provided by the OJBCU. When the joint committee is established, administrative support for the joint committee will be provided by the London Borough of Hackney on a lead borough basis and the Chief Executive of Hackney Council will be formally designated as clerk to the joint committee with responsibility for the provision of administrative support.

### **Overview and Scrutiny**

16. Decisions of the joint committee will be subject to scrutiny and 'call in' under a single process to be agreed by the five boroughs. It has not been possible to identify a statutory power enabling the establishment of a joint overview & scrutiny committee (save for matters relating to health) and it is therefore currently envisaged that the single process will require the Overview & Scrutiny Committee in each of the five boroughs to establish a sub-committee for the specific purpose of scrutinising decisions of the joint committee. Each of the sub-committees established will have uniform terms of reference and adhere to a uniform process for scrutiny and 'call in' of

decisions of the joint committee. The scrutiny process will be administered by the clerk to the joint committee.

17. In the event that a decision of the joint committee is 'called in' by a scrutiny sub-committee, the Chief Executive (or an officer designated by them) for the relevant borough will attend the scrutiny sub-committee together with one or both of the Members nominated by that borough to the joint committee.

### **Key Decisions**

18. In the event that a decision to be taken by the joint committee amounts to a 'key decision' it will be included in the forward plan for each and any of the five boroughs as appropriate, having regard to the criteria that have been adopted by each borough for the determination of 'key decisions'.

### **Constitution**

19. Once established the joint committee will adopt a constitution to cover matters such as rules of procedure for meetings, public access to information (including arrangements for the publication of key decisions) and the scrutiny process agreed by the five boroughs.

### **Functions**

20. The executive functions discharged by the joint committee shall be as specified in the terms of reference attached as Appendix One to this memorandum. The joint committee does not have power to exercise non executive functions on behalf of the five boroughs.

21. The functions of the joint committee will not be limited by area, but it will only discharge executive functions that relate to joint activities or areas of common concern in relation to the 2012 Olympic and Paralympic Games, including negotiation and agreement of any Strategic Regeneration Framework and Multi Area Agreement(s).

22. There will be no financial limit for decisions taken by the joint committee but it will only be able to take decisions about any funds allocated to it either as part of the annual budget, from external grant funding or other resources allocated to it in addition to the annual budget whether by any or all of the five boroughs or otherwise.

### **Membership and Chair**

23. The Executive for each of the five boroughs will nominate two Members to the joint committee. The maximum term of office for any nomination may not exceed a Member's remaining term in office, so that in the first instance nominations may not extend beyond the end of the current municipal year.

24. The joint committee will be responsible for electing a Chair and it is has been agreed by the five boroughs that this Memorandum should record that the intention of the five boroughs is that the Chair of the joint committee should be the Mayor of Newham.

### **Quorum and Voting**

25. The quorum for meetings of the joint committee will be at least one Member from each borough.

26. Each Member of the joint committee will have one vote and all decisions of the joint committee must be unanimous to be effective in relation to all five boroughs, but two or more boroughs may decide to pursue initiatives together in the absence of unanimity.

27. Therefore, where it is not possible to reach unanimity on an issue to be decided, any Member of the joint committee may propose that a qualified vote is taken so that any decision on the issue will only be effective in relation to the two or more boroughs where there is unanimity between the Members present at the joint committee from those two or more boroughs.

### **Sub-Committees**

28. The joint committee will be able to establish decision making sub-committees to discharge specific functions.

29. Any sub-committee established by the joint committee will comprise one Member from each borough.

30. All decisions of any sub-committee(s) established by the joint committee must be unanimous to be effective in relation to all five boroughs, but two or more boroughs may decide to pursue initiatives together in the absence of unanimity.

31. Therefore, where it is not possible to reach unanimity on an issue to be decided, any Member of a sub-committee may propose that a qualified vote is taken so that any decision on the issue will only be effective in relation to the two or more boroughs where there is unanimity between the Members present at the sub-committee from those two or more boroughs.

### **Delegation to Officers**

32. The joint committee will be able to delegate specific functions to officers.

### **Partner and Stakeholder Representation**

33. Partners and stakeholders will be invited to send observers to meetings of the joint committee (and any sub-committees) as appropriate.

### **Commencement**

34. The joint committee will be established with effect from 1 June 2009.

## **Appendix One**

### **JOINT COMMITTEE TERMS OF REFERENCE**

**To act as a joint committee of the London Boroughs of Greenwich, Hackney, Newham, Tower Hamlets and Waltham Forest (the five boroughs) for joint collaboration in relation to the Olympic and Paralympic Games in 2012.**

#### **1. Functions:**

To discharge on behalf of the five boroughs the executive functions listed below in so far as they relate to joint activities or areas of common concern in relation to the 2012 Olympic and Paralympic Games:

1. Management and expenditure of the annual budget as defined by the Inter Authority Agreement made between the five boroughs dated 31 August 2006
2. Management and expenditure of external funding and all other financial resources allocated to the joint committee, including any funding allocated to the joint committee by any or all of the five boroughs in addition to the annual budget.
3. Approval of an annual business plan.
4. Development, negotiation and agreement of any Strategic Regeneration Framework and Multi Area Agreement(s).
5. Development, negotiation and implementation of joint regeneration policies and programmes.
6. Development, negotiation and agreement of a joint approach to post Olympic legacy, including promotion of the five boroughs as a sub region.
7. Development, negotiation and implementation of joint legacy strategies.
8. Development, negotiation and implementation of joint arrangements in relation to bidding for, accepting and distributing external funding.
9. Development, negotiation and implementation of joint publicity and a joint communications strategy.
10. Development, negotiation and implementation of joint cultural event programmes and policies.
11. Development, negotiation and implementation of joint economic development and employment programmes and policies.
12. Development, negotiation, provision and implementation of joint building control policies and procedures for the Olympic Park. and Olympic venues in the five host boroughs.
13. Development, negotiation, provision and implementation of joint environmental health policies and procedures in relation to the Olympic Park and Olympic venues in the five host boroughs, including food safety & standards, health & safety enforcement, pest & pollution control and public health.

14. Development, negotiation, provision and implementation of joint parking, highways and traffic management policies and procedures.
15. Development, negotiation and implementation of joint policies for tourism and the business travel economy.
16. Development, negotiation and implementation of joint policies to maximise educational opportunities.
17. Development, negotiation and implementation of joint sports development policies.
18. Development, negotiation, provision and implementation of street naming/numbering and street scene enforcement policies and procedures for the Olympic Park and Olympic venues in the five host boroughs.

Any other executive functions relating to joint activities or areas of common concern in relation to the 2012 Olympic and Paralympic Games in relation to which funding is allocated through the annual budget or in respect of which external funding or any other financial resources are allocated to the joint committee.

## **2. Membership:**

Ten Members, comprising two Members nominated by the Executive from each of the five boroughs for a maximum period not extending beyond any Member's remaining terms of office as a councillor.

## **3. Quorum:**

At least one Member from each of the five boroughs.

## **4. Voting Requirements:**

Each Member of the joint committee will have one vote and all decisions of the joint committee must be unanimous to be effective in relation to all five boroughs.

Where it is not possible to reach unanimity on an issue to be decided, any Member of the joint committee may propose that a qualified vote is taken so that any decision on the issue will be effective in relation to two or more boroughs where there is unanimity between the Members present at the joint committee from those two or more boroughs.

## **5. Sub-Committees:**

The joint committee may establish such sub-committees to discharge any, some or all of the functions listed in paragraph 1 above and/or for such other purposes as the joint committee determines appropriate. Any sub-committee so established shall comprise one Member from each of the five boroughs, who shall each have one vote and all decisions taken by any sub-committee must be unanimous to be effective in relation to all five boroughs.

Where it is not possible to reach unanimity on an issue to be decided, any Member of the sub-committee may propose that a qualified vote is taken so that any decision on the issue will only be effective in relation to two or more boroughs where there is unanimity between the Members present at the sub-committee from those two or more boroughs.

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# Agenda Item 11.2

<b>Committee:</b> Cabinet	<b>Date:</b> 6 <sup>th</sup> May 2009	<b>Classification:</b> Unrestricted	<b>Report No:</b>	<b>Agenda Item:</b>
<b>Report of:</b> Corporate Director Development and Renewal  <b>Originating officer(s)</b> Nick Smales		<b>Title:</b> High Street 2012 Historic Buildings Conservation Scheme  <b>Wards Affected:</b> Whitechapel, Bethnal Green South, St Dunstons and Stepney Green, Mile End East, Bow East		

## 1. **SUMMARY**

- 1.1 This report seeks approval for the capital estimate of £ 2 million identified within the approved budget for the High Street 2012 Historic Buildings Conservation Scheme and authority to implement the scheme as proposed.
- 1.2 Half of the funding (£ 1 million) will be provided internally through the Authority's Local Priorities Programme and the other half (£ 1 million) will be in the form of a grant from English Heritage

## 2. **RECOMMENDATIONS**

Cabinet is recommended to:-

- 2.1 Approve the adoption of a capital estimate in the amount of £ 2 million for the High Street 2012 Historic Buildings Conservation Scheme;
- 2.2 Approve the priority criteria for development as set out in Paragraph 5 of the report
- 2.3 Authorise the Corporate Director (Development and Renewal) to progress the schemes as set out in Paragraph 6 of the report

## 3. **BACKGROUND**

- 3.1 High Street 2012 is a strategic regeneration initiative along the A11 corridor which seeks to maximise investment along this key arterial route using its status as the final stage of the Olympic and Paralympic marathon as a focus for interest and attention from other organisations.

- 3.2 A Vision Study for High Street 2012 was completed in February 2009 which proposes a range of actions and projects along the corridor to support its continuation as a vibrant and lively place for residents, workers and visitors and to engage local people in regeneration activity and the 2012 Olympic Games.
- 3.3 The A11 corridor is a historic route between central London and Colchester and the distribution and nature of listed buildings and conservation areas along the route reflect its historic development and character. However much of this historic fabric has been poorly maintained and suffers from unauthorised adaptations or signage which further detracts for the quality of the urban environment.
- 3.4 The Vision Study proposes a programme of façade improvements to historic buildings along the route and English Heritage have agreed funding of £1 million through their Partnership Grants in Conservation Areas funding stream for a programme of such works in Tower Hamlets. The funding is awarded on a 50% matched funded basis and the capital programme includes provision for matching the English Heritage funding.

#### **4. BODY OF REPORT**

- 4.1 The High Street 2012 historic buildings conservation scheme is designed to contribute to the vision of a world class and thriving High Street by helping to create the strong sense of place needed for any successful high street. With strong reference to the draft Core Spatial Strategy the historic buildings scheme recognises that this historically important route which connects the City to the Olympic Park was originally a series of hamlets, each with its own identity, as defined in the various conservation plans which are in place for areas along the route. Careful repair of the street fabric to give a street that has a series of linked identities creating a sense of place on both a local and larger scale will support stronger identity and provide a lasting legacy contributing to wider regeneration aspirations.
- 4.2 Essentially therefore the overall objective of the High Street 2012 Historic Buildings Conservation Scheme is to provide a meaningful legacy for the street, which will be an intrinsic part the 2012 Olympics. A number of significant improvements will be carried out to the Mile End, Bow and Whitechapel Roads as part of the High Street 2012 programme in order to prepare for the Olympics and this initiative will contribute to that aim. However the main intention is not short term “street dressing” but a longer term programme of works that will reveal some of the streets rich history and contribute to the wider regeneration of the area.
- 4.3 English Heritage invited the Borough to make an application for Partnership funding for £1m over a 3 year period to be matched to create a £2m grant fund. Application was made at the end of January 2009 and the EH Regional Grants Board agreed the application on 5<sup>th</sup> March 2009.

- 4.4 Given the available resources and consultations with English Heritage five clusters of buildings (see map at Appendix 1) felt to have the greatest potential to make a significant impact on the High Street were prioritised for the application.
- 4.5 The five clusters are:-
- 64 to 71 Whitechapel High Street, comprising 8 properties.
  - 197 to 317 Whitechapel Road comprising 61 properties.
  - 82 to 124 Mile End Road comprising 22.
  - 638 to 648 Mile End Road comprising 6 properties.
  - 161 to 205 Bow Road comprising 26 properties.
- 4.6 Following a study of all 123 buildings a total cost of £5.0m was estimated as being the cost of completing works to all of them to appropriate standard. The study has concentrated on the front elevations but also includes front parapet gutters and mansard roof slopes where these form a significant element of the street frontage.
- 4.7 The buildings which generally date from the mid-18th century to the early part of the 20th century are of different sizes and ages and in varying states of decline. Costs have been calculated by detailed analysis of a sample of projects and the results extrapolated over the total number of properties and are comparable to costs in similar schemes such as those in Forest Gate, Newham.
- 4.8 In order to ensure that the aims of the grant are achieved it is important that a coherent scheme is implemented, a scheme which makes a noticeable impact on the street. Repairing every second or third building for instance will not achieve the same impact as completing two or three of the clusters in their entirety. Furthermore total estimated costs far exceed the £2 million budget and thus further prioritisation of the five clusters has been necessary (additional funding to extend the impact is being pursued vigorously – notably from Design for London).
- 4.9 In order to maximise the funding available for works it is proposed that the Council becomes the client appointing a single contractor for the works with building owners agreeing for the works to be done thus avoiding the need to incur VAT within the costs.

## **5.0 PRIORITISATION**

- 5.1 Below the order of priority included within the application to English Heritage is detailed (including a brief rationale for prioritisation) with the overall aim being to identify where funds will make the most impact, looking at relationships to other planned initiatives or existing attractions, whilst ensuring that our proposals are deliverable.

## 5.2 **64 to 71 Whitechapel High Street. Estimated Cost £455,400**

This cluster at Aldgate is at the beginning of High Street 2012 and thus is a strategically significant and highly visible cluster at the gateway from the City. It is also recognised in the HS2012 study by Fluid as a major destination and one of the more important clusters. This is due to its close proximity to Altab Ali Park, (also identified for improvement works) the Whitechapel Gallery and Brick Lane. Being a small cluster of buildings then early agreement with building owners should be more readily reached. However should this prove not to be the case, the cluster is in such need of work that enforcement notices could be served to building owners not prepared to carry out grant aided works. Therefore it appears that works on this cluster should be able to progress relatively swiftly providing an “early win” that will add significant value to this area and can be used to promote the scheme more widely.

## 5.3 **82 to 124 Mile End Road. Estimated Cost £859,061**

On the South side of Mile End Road, west of Stepney Green Station and opposite Mile End Waste, this terrace of 22 listed properties offers a good opportunity for significant improvements which, when matched with the improvements to the former Wickhams Store opposite, will have a dramatic impact on this section of the street. The significance is further enhanced by the potential, identified the HS2012 Vision Study, to carry out a range of streetscape works to Mile End Waste.

## 5.4 **197 to 317 Whitechapel Road. Estimated Cost £2,852,828**

The largest cluster with a total of 61 properties, and although 40% of these are in one ownership, that of London Underground Ltd, most of the buildings are let on full repairing leases and so negotiations would still have to involve the building occupiers. Since the shops in this cluster are very busy there may well be resistance to works, as disruption may be seen as a major drawback. In addition, whilst the works to the buildings will be similar to other clusters works might be complicated by the proximity of the market and the constraints that this may impose on contractors accessing the properties. Whilst all of these issues can be overcome with good management the period needed to reach agreement with building owners and enter a contract is likely to be protracted, hence the lower prioritisation.

To complete this cluster would in any case require more funds than are likely to be available in the early years of the programme. To prioritise this cluster higher would therefore run a serious risk of concentrating funds on an area that might not deliver in time, thus jeopardising the whole programme.

However, the Whitechapel cluster was identified as important, given the significance of the area and the potential interventions for the area identified by the Vision Study. Therefore to target a group of 8 buildings (Nos 277 and 283 to 305) to the East of Whitechapel Station which are felt would make a significant

impact and act as an exemplar to show the potential that exists and which could be to attract additional funds to deliver further works to this cluster is considered appropriate. The 8 buildings chosen are all significant, including one that is listed. They sit opposite the site of a proposed new crossing on High Street 2012. The proposal is for a wide crossing with a gap in the market which, due to its position opposite the London Hospital, is likely to be a central focus and will provide one of the few places for uninterrupted views of the buildings. This group of buildings will therefore be in the best possible position to make an impact and act as an advertisement for the scheme.

**5.5 161 to 205 Bow Road. Estimated Cost £603,279**

To the North side of Bow Church this cluster of 26 buildings has some fine buildings that are in need of repair but also some difficult issues to address due to the blighting effect of the A11 and the Bow Flyover. Grant applications for mitigating works at the Bow roundabout are being made to the Olympic Park Transport and Environmental Measures section 106 funding pot and in 2011 Bow Church celebrates its 700<sup>th</sup> anniversary and is proposing a series of celebration events

**5.6 638 to 648 Mile End Road. Estimated Cost £224,664**

To the East of Mile End Station and on the south side of Mile End Road, this small group of buildings offers the opportunity for relatively easy delivery, given its compact nature which would allow for swift negotiations with the building owners. However, despite the quality of the buildings, they have a restricted ability to make a significant impact on the street compared to the other groups, due to their location between nodal points. The lower potential for impact means this cluster is not higher in priority.

5.7 Therefore given intervention within all five clusters would represent two and a half times the potential sum available at present priority has been given to those buildings that appear to offer the most potential to make a significant impact whilst also being deliverable. If the priorities sequenced in section 4 are implemented then the £1 million from English Heritage matched with the £1m from the Council would support a 100% intervention against the following;

	Cost	Fees 15%	Contingency 10%	Total
65a – 72 Whitechapel High Street	360,000	54,000	41,400	<b>455,400</b>
82 – 124 Mile End Road	679,100	101,865	78,096	<b>859,061</b>
277 and 283 to 305 Whitechapel Road	443,170	66,476	50,965	<b>560,611</b>
<b>Total</b>				<b>1,875,072</b>

5.8 The total, at £1,875,072 would leave a balance of £124,928 from the total funding allocation. However this assumes a 100% intervention in the three blocks referenced in the above table and (although desirable) this is unlikely to be achieved. If an intervention of 80% is assumed the above table could read as follows

	Cost	Fees 15%	Contingency 10%	Total
65a – 72 Whitechapel High Street	288,000	43,200	33,120	<b>364,320</b>
82 – 124 Mile End Road	543,280	81,492	62,477	<b>687,249</b>
277 and 283 to 305 Whitechapel Road	354,536	53,180	40,772	<b>448,488</b>
161 – 205 Bow Road	381,520	57,228	43,875	<b>482,623</b>
<b>Total</b>				<b>1,982,680</b>

5.9 Given the above it appears prudent to over-programme slightly by including the Bow Road block in the scheme so that fund balances can be effectively deployed. The proposed phasing would be for 65a – 72 Whitechapel High Street to be the target for 2009/10 given its small scale, ability to be an effective start and the budget profile over three years as follows

2009/10	2010/11	2011/12
£400,000	£800,000	£800,000

5.11 82 – 124 Mile End Road would then be the principal target for 2010/11 with 277 – 305 Whitechapel Road and 161 – 205 Bow Road to be undertaken during 2011/12.

## **6.0 DELIVERY APPROACH**

- 6.1 In the majority of similar grant funded schemes, building owners would appoint their own architect and building contractor, subject to approval of the grant giving body, and the grant would pass to the building owner. However many potential projects fall at this stage due to the potential grantee finding the prospect of employing professionals too daunting or bothersome.
- 6.2 To ensure that the works to the High Street 2012 properties are carried out as efficiently as possible and that full advantage is taken of economies of scale afforded by the numbers of properties being targeted the preferred approach is to employ a single professional team and single contractor to carry out all of the works. Such efficiencies and economies would not be possible with a large number of individual contracts.
- 6.3 Therefore it is proposed that the Council will tender for and appoint a single professional team, comprising architect QS and project manager. The Council will also tender for and appoint a single building contractor for the whole works. Contractors will be expected to prove that they have the requisite skills in restoration, shopfront fitting and project management.

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

- 7.1 On the 11<sup>th</sup> February 2009 Cabinet approved the Authority's capital programme for the period 2009/10 through to 2011/12. Approval was granted to spend £ 2,000,000 on the High Street 2012 project
- 7.2 Funding will be generated through two sources. On the 11<sup>th</sup> February 2009 Cabinet agreed that £ 1 million of local priorities programme resources would be allocated over a three year period to fund the project. Furthermore, as stated in paragraph 4.3 to this report, on the 5<sup>th</sup> March 2009 the English Heritage Regional Grants Board agreed to match fund the scheme with £ 1 million of their own funding.

7.3 It is anticipated that the overall expenditure profile of the scheme will be as follows :-

	£
2009/10	400,000
2010/11	800,000
2011/12	<u>800,000</u>
Total	<u>2,000,000</u>

7.4 Funding profiles for the scheme will be as follows :-

	Local Priorities Programme (LBTH)	English Heritage	Total Funding
	£	£	
2009/10	200,000	200,000	400,000
2010/11	400,000	400,000	800,000
2011/12	<u>400,000</u>	<u>400,000</u>	<u>800,000</u>
Total	<u>1,000,000</u>	<u>1,000,000</u>	<u>2,000,000</u>

7.4 Expenditure, once incurred, will be treated as capital expenditure within the Development & Renewal capital programme.

7.5 Contracts for goods and services in connection with the project will need to be procured in accordance with the Authority's Financial Regulations and Procurement Procedures and, where applicable, Official Journal of European Union (OJEU) Regulations.

7.6 The scheme will require that a new post be created within the Olympic and Paralympic team to co-ordinate the project. The post is a three-year fixed term contract and the estimated cost of this post will be in the region of £ 50,000 per annum. The post will be funded 50% by additional revenue grant donated by English Heritage and 50% by Development & Renewal revenue budgets. The Development & Renewal element will be contained within the existing 2012 budget.

7.7 There is an element of over-programming in the proposed scheme but, given that take-up will probably not be 100% then this is prudent in order to be able to maximise use of resources.



## **8. CONCURRENT REPORT OF THE ASSISTANT CHIEF EXECUTIVE (LEGAL)**

- 8.1. Cabinet is requested to approve the capital estimate of £2million for the High Street 2012 project over the period from 2009/10 to 2011/12, to agree the priority in paragraph 5 and to authorise the Corporate Director to progress the project.
- 8.2. In accordance with Financial Procedure FP 3.3, senior managers are required to obtain a capital estimate for any scheme in the capital programme. Where the estimate is over £250,000 the approval of the adoption of that capital estimate must be sought from the Cabinet.
- 8.3. There is no legal impediment to approval of the estimate. It is open to Cabinet to conclude that there is power to support the expenditure and the project by reference to the Council's well being power in section 2 of the Local Government Act 2000 (ie to do anything which it considers is likely to promote the social, economic or environmental well being of Tower Hamlets). The power may be exercised in relation to, or for the benefit of: (a) the whole or any part of Tower Hamlets; or (b) all or any persons resident in Tower Hamlets. In exercising the power, regard must be had to the Community Plan.
- 8.4. Procurement of the professional team referred to in the report will need to be carried out in accordance with the Council's procurement framework and legal requirements. It will be the responsibility of officers to ensure that the Council complies with its obligation as a best value authority within the meaning of the Local Government Act 1999 to secure continuous improvement in the way its functions are exercised having regard to the combination of economy, efficiency and effectiveness.

## **9. ONE TOWER HAMLETS CONSIDERATIONS**

- 9.1 The Historic Buildings Scheme will help to improve the environment along the A11 corridor which has communities exhibiting above average levels of deprivation.
- 9.2 The wards in which the priority building clusters lie have high levels of BME residents relative to the borough as a whole and therefore to London and to England. In particular Spitalfields & Banglatown, Whitechapel and Bethnal Green South are home to significant Bangladeshi communities. These concentrations of BME and particularly Bangladeshi residents in the areas targeted by the scheme mean that those communities – as well as businesses owned and/or operated by members of those communities – will be primary beneficiaries of the scheme.

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

- 10.1 By implementing repairs to the structure and fabric of historic buildings the Historic Buildings Scheme extends their lives and facilitates their ongoing use; such use/reuse of existing resources is an inherently sustainable outcome. Moreover the scheme brings substantial benefits to the local environment in terms of the appearance of the streetscape; it also links to and reinforces other environmental improvements, such as greening, to be delivered as part of the High Street 2012 programme. Where relevant and appropriate the scheme will also encourage the use of energy efficient materials and technologies in the implementation of building improvements.

## **11. RISK MANAGEMENT IMPLICATIONS**

- 11.1 Through seeking to achieve economies of scale and adopting the most tax efficient delivery approach the Council will be instructing client to the contractor and thus will need to effect appropriate indemnification from liabilities from the contractor.
- 11.2 It is expected that after any defects liability period (12 months) the Council will transfer any contract or latent defect liability to individual building owners through an appropriate mechanism, novating contracts or collateral warranties.

## **12. EFFICIENCY STATEMENT**

- 12.1 The High Street 2012 Historic Buildings Conservation Scheme is part of a developing package of measures being brought forward to regenerate the A11 corridor. The scheme improves the built environment for local people and is demonstration that renewal activity is happening. The scheme is co-financed with 50% funding from English Heritage and once implementation commences there is a strong prospect of attracting other funding to extend and enhance the scheme. Thus the Council's investment in the built environment of the Borough will stimulate further investment from other funders and owners in the area.

## **13. APPENDICES**

Appendix 1 - Location Plan of Buildings Clusters

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

Brief description of “back ground papers”

Contact Officer: Nick Smales  
2012 Unit, Development and Renewal  
ext. 4628

High Street 2012 Vision Study

English Heritage Area Partnership

Scheme Guidance Notes

Tower Hamlets High Street 2012 Historic  
Buildings Scheme Delivery Plan

Appendix 1: Location Plan of Buildings Clusters



# Agenda Item 11.3

<b>Committee:</b> Cabinet	<b>Date:</b> 6 May 2009	<b>Classification:</b> Unrestricted	<b>Report No:</b>	<b>Agenda Item:</b>
<b>Report of:</b> Chris Naylor, Corporate Director-Resources  <b>Originating officer(s)</b> Alan Finch – Service Head, Corporate Finance		<b>Title:</b> <b>Budget Process 2010/11</b>  <b>Wards Affected:</b> All		

## 1. INTRODUCTION

- 1.1. Tower Hamlets set its first Three Year Budget in 2008, and 2010/11 will be the third year of that budget. A Government Spending Review is due in 2009 although it is now looking unlikely that it will go ahead; however, if there is a spending review, 2010/11 would be the first year of the next Three Year Settlement.
- 1.2. The Medium Term Financial Plan sets a balanced budget for 2010/11, but the external environment looks very different from the way it did when the Three Year Budget was originally set. The economic downturn has brought financial losses and uncertainty, which has been brought into account in setting reserves, but nevertheless represents enhanced risk. The financial settlement in 2009, followed by a probable Comprehensive Spending Review in 2010, will have to address the growing deficit in the public finances.
- 1.3. This paper broadly sets out the financial parameters for 2010/11, and outlines a proposed budget setting and strategic planning process to be undertaken during 2009/10. The proposed process has been developed in the context of the 2009/10 budget process just concluded and the financial forecast for 2010/11 and beyond.

## 2. RECOMMENDATIONS

The Cabinet is recommended to -

- 2.1. Note that the Corporate Director, Resources will undertake an exercise to review the financial outlook for the authority in terms of expenditure and income as set out in paragraph 5.5 of the report.
- 2.2. Agree that any additional committed growth put forward by Directorates as part of this process will need to be matched by the equivalent value in efficiency savings from that Directorate.
- 2.3. Agree the outline budget process (Section 5 of the report) and timetable (Section 6) for this exercise and the rest of the budget process.

- 2.4. Note that a further report will be submitted to the Cabinet in July setting out the parameters for the 2010/11 budget process and inviting Cabinet to agree a budget strategy.

### **3. BACKGROUND**

- 3.1. The Cabinet considered the budget for 2009/10 and Medium Term Financial Plan 2009-2012 at its meeting on 11<sup>th</sup> February, Subsequently, the Council agreed the budget for 2009/10 at the Budget Council meeting on 4<sup>th</sup> March 2009.
- 3.2. As set out in reports previously presented to Cabinet, Formula Grant funding is reducing in real terms each year, and there are similar pressures on the Housing Revenue Account Subsidy. The impact of the economic recession will put further pressure on the public finances which is bound to be reflected in the next Spending Review. At the same time, the economic downturn will put pressure on the Council's own budget.
- 3.3. Like other authorities, Tower Hamlets capacity to manage these pressures will be stretched. There is a growing consensus that we are moving into a period where there will be sustained reductions in public sector investment. It is likely that these reductions will last well into the coming decade and perhaps up until 2020.

### **4. THE 2009/10 BUDGET**

- 4.1. The 2009/10 budget setting has produced a deliverable, balanced budget that provided for investment and growth in the priority areas identified at the start of the budget process. Undoubtedly, the three year budget set at the beginning of 2008/09 assisted that process, enabling the authority to identify at an early stage that as long as the budget parameters for 2009/10 reflected in the three year budget were adhered to, there was capacity for growth. This enabled the budget process to focus on setting priorities for Service Improvement Growth and a review of Area Based Grant (ABG).
- 4.2. Risks materialised during the process, with the result that additional savings needed to be found to achieve a balanced budget. However this did not require a new savings exercise and a balanced budget was achieved by bringing forward efficiency measures initially planned for 2010/11 and 2011/12.
- 4.3. The process was assisted further by that fact that general reserves as at the 31<sup>st</sup> March 2009 were estimated to be at the upper end of the 5%-7.5% policy range at around 7.5%. Following the end of Housing Choice and the setting up of the ALMO, the General Fund Decent Homes Reserve was deemed already to be at a more than adequate level. It was therefore not necessary for the Council to make the budgeted contributions to reserves in 2009/10, which released funding for growth and to meet budget pressures. In addition to the savings identified in the Three Year Budget, the authority took the opportunity presented by the "unringfencing" of a number of specific grants and the establishment of ABG, and reprioritised expenditure to contribute a further £3.5m.
- 4.4. An economic downturn was predicted in the Three Year Budget, but the Autumn 2008 banking crisis, which has contributed to the onset of the recession, was not. The effect

of the crisis on interest rates has resulted in reduced income to the Council from investments, and it is predicted that, unless there is an increase in base rates later in the year (which seems increasingly unlikely), there will be a shortfall against budget of around £2m in 2009/10. This shortfall can be met from Council reserves if necessary. In addition, the Council has made provision for inflation in the 2009/10 budget at a level higher than now forecast by the Government and this provides the opportunity to fund additional pressures. If it is necessary to using this allocation for another purpose, a virement will be necessary and Cabinet approval of this will be sought for this at the appropriate time.

## **5. THE 2010/11- 2012/13 OUTLOOK & NEXT STEPS**

- 5.1. The Budget and Medium Term Financial Plan agreed by the Council in March is set out at **Appendix A**. The Committed Growth and Savings proposals planned for 2010/11 are set out at **Appendices B & C** respectively.
- 5.2. The assumptions underpinning the planning figures for 2010/11 and 2011/12 will need to be revisited as part of the forthcoming budget process for 2010/11, and a new 'year 3' projection for 2012/13 will need to be constructed. There are a number of significant factors which indicate that the financial position is more likely to worsen than improve;
  - \* The costs to services of the economic downturn, including any increased demand for services and losses of income, including the loss of investment income discussed above.
  - \* Increasing signals that the next financial settlement for local authorities will be harsher than previously anticipated in view of the need to fund a higher public sector deficit.
- 5.3. The Chancellor of the Exchequer's Budget on 22<sup>nd</sup> April confirmed that the Formula Grant settlement for 2010/11 will remain as previously announced. For Tower Hamlets, this is expected to mean that a 1.5% increase in grant will be forthcoming, which is of course below the current rate of inflation and the rate of population growth for the area, but is at the level reflected in the Medium Term Financial Plan. At the time of writing, it is not known whether the Chancellor's announcement regarding Formula Grant will also apply to specific grants and ABG, and it is likely that these decisions will be taken by individual Government Departments as they set their own budgets later in the year. In light of this, a review of risks around specific grants and ABG will need to be undertaken as part of the budget process. In the Budget, local government has also been asked to increase its efficiency savings target for 2010/11 from 3% to 4%, although these savings will be 'recycled to front line services'. For the period from 2011/12 onwards, the Chancellor has set an additional efficiency target for public services rising to £9bn by 2013-14. Local Government settlements are certain to be impacted by this additional target.
- 5.4. It is evident that, subject to the review discussed in the next paragraph, next year's budget process needs to go forward on the basis of no presumption of additional growth at this stage. Where growth is unavoidable this will mean finding additional efficiency savings to meet this growth, and in the interests of financial discipline it is

proposed that these should be found from within the Directorates identifying additional growth.

- 5.5. Ahead of the annual Budget Outlook report to Cabinet in July, officers will now conduct a review of Medium Term Financial Plan assumptions to ensure that that they can still be delivered. It is proposed that this exercise should be undertaken with Members of the Cabinet, so that Members can be part of the challenge, risk judgement and the decision making from the outset. To ensure that the exercise can be undertaken thoroughly and without intolerable time pressures built into the summer months and early autumn, it is proposed that this exercise is fully completed before the end of June 2009 and reported to Cabinet in July.

### Housing Revenue Account

- 5.6. The Housing Revenue Account has been balanced in the current financial year, but there is a concern that Housing Revenue Account Subsidy will diminish over the coming years. The HRA is also affected by changes in interest rates. Traditionally in Tower Hamlets, there has been a separate Housing Revenue Account budget process. Recently this dual process has become more difficult to sustain, at least partly because of the tightening financial position. It is therefore proposed that the budget process for the General Fund and the HRA needs to be a single process for 2010/11.

### Capital

- 5.7 The Local Priorities Capital Programme is now based on the principle that funding will not be allocated to schemes until funding has been received, or is contractually bound to be received. The 2009/10 programme has allocated all capital receipts in hand and has supplemented this with the use of reserves. Planning for the capital programme will need to follow the same process as for revenue. Local Priority Programme funding will be reliant on further asset sales.

## **6. TIMETABLE**

- 6.1 The position set out above makes it clear that early discussions with Members are necessary, and an early start to the formal budget process to undertake due diligence is strongly advisable.
- 6.2 It is therefore proposed that the following timetable should apply for the 2010/11 budget process.



Cabinet Paper on Financial Forecast and commissioning of due diligence process	6 <sup>th</sup> May
Financial review exercise	May-June 2009
Identification of savings for 2010/11, additional proposals for 2011/12 and 2012/13	June-September 2009
Preparation of Capital bids	June-September 2009
Cabinet Report: Confirmation of savings targets following outcome of LAP SARP and informed by aspirations of Cabinet.	July Cabinet
Scrutiny of savings proposals and capital bids and any other budget request made in July Cabinet report	Sept-Oct 2009
Local Government Finance Settlement	November 2009
Draft budget – Cabinet	January 2010
Final budget recommendation- Cabinet	February 2010

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

The comments of the Chief Financial Officer are contained within the report, of which he is the author.

## **8. CONCURRENT REPORT OF THE ASSISTANT CHIEF EXECUTIVE (LEGAL)**

8.1 The report informs Cabinet of the current financial outlook and the proposal to review expenditure and income against the financial outlook. Cabinet's agreement is sought to the approach to any additional committed growth put forward following the review and to the proposed budget process.

8.2 It is within the responsibility of the Council's officer appointed under section 151 of the Local Government Act 1972 to administer the Council's financial affairs and, accordingly, it is appropriate for the Corporate Director Resources to carry out the proposed review and to bring forward this report to Cabinet.

8.3 The setting of the budget falls to the Full Council under the Council's Constitution, but this report is concerned with managing the budget and the budget process, which falls within Cabinet's responsibility.

## **9. ONE TOWER HAMLETS IMPLICATIONS**

The Strategic & Resources Planning process is the process by which the authority allocates resources to its priorities in order to deliver the Strategic Plan and Community Plan. A single process covers all services of the Council so that judgements can be made on resource allocation options and to ensure that resources are utilised in the most efficient and effective way across all the Council's activities. The proposal to bring the HRA into the process is a necessary part of this exercise.

## 10. SUSTAINABLE ACTION FOR A GREENER ENVIRONMENT

Actions to promote sustainable actions for a greener environment are among the activities that need to be taken into account in the Strategic & Resource Planning Process.

## 11. RISK MANAGEMENT IMPLICATIONS

The report sets out a number of areas in which financial risk is increasing for the authority, as with all other local authorities. The Medium Term Financial Plan reflects risk by;

- Ensuring that unavoidable cost pressures are funded before decisions are made about improvement growth and tax levels.
- Ensuring that known risks to costs and income streams are provided for in plans.
- Ensuring that sufficient funding is held back in the form of reserves and contingencies to allow the consequences of unforeseen risks to be managed without resorting to unplanned actions.

Since the Council is not able to set deficit budgets, and cannot increase Council Tax or Housing Rents outside the framework set by the Government, the main risk of failing to plan the finances of the authority adequately for the next 3 years is the risk that service cuts may need to take place which affect service delivery or the longer term stability of the Council's operations.

## 12. EFFICIENCY STATEMENT

The objective of the Strategic & Resource Planning process is to ensure as much as possible that the priorities of the authority can be delivered without cuts in services or unaffordable increases in Council Tax, rents or other charges. To achieve this, savings will need to be delivered through increased efficiency, which will become harder to deliver as savings targets increase and as 'quick win' opportunities dry up. Forward planning to identify and deliver efficiencies will be crucial to this, and this will include the need to monitor to ensure that efficiencies planned for are delivered in accordance with that plan.

## APPENDICES

Appendix A	Approved Medium Term Financial Plan 2009/10- 2011/12
Appendix B	Committed Growth for 2010/11 reflected in the MTFP
Appendix C	Savings for 2010/11 reflected in the MTFP

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LOCAL GOVERNMENT ACT 1972 (SECTION 100D)

*LIST OF "BACKGROUND PAPERS" USED IN THE PREPARATION OF THIS REPORT*

**Brief description of "background papers"**

**Tick if copy  
supplied  
for register**    **If not  
name  
telephone  
of holder**    **supplied,  
and  
number**

Not applicable

**MEDIUM TERM FINANCIAL PLAN 2009/10 -  
2011/12**

	2008/09 £'000	2009/10 £'000	2010/11 £'000	2011/12 £'000
<b>Initial Budget</b>		295,498	297,926	305,453
<b>Inflation</b>		6,222	6,494	7026
<b>Committed Growth</b>				
Approved In February 2008		3,618	2,479	
Reported to January 2009 Cabinet		3,605	-356	2919
<b>Savings</b>				
Approved in February 2008		-3,970	-2,694	
Reported to January 2009 Cabinet		-1,704	-702	-195
<b>Other Adjustments Required</b>				
Facilities Management		2,950		
London Pensions Fund Authority Levy		411	353	235
Concessionary Fares		-800		
Capital Financing and Investment		-2,438	2,365	72
Pensions Fund				4,501
One off spending in 2008/09		-2,701	-317	
<b>Changes in Contributions to Reserves</b>				
Asset Management		-500		
Decent Homes		-1,978		
General Reserves		-1,200		
Changes in Contingency budget		-194		
Additional contribution from Parking Control A/c		-90	90	
<b>Other Funding</b>				
Prioritisation of Area Based Grant		-3,501	-295	3796
<b>Service Improvement Growth</b>				
Service Improvement Growth approved during 2008/09		1,600		
LAP Budgets		2,380		-2,380
London Living Wage		260		
Tackling overcrowding		90	110	
Enforcement Officers		368		
Savings target for 2011/12				-9910
<b>Budget Requirement</b>	295,498	297,926	305,453	311,517
Formula Grant	-224,997	-228,816	232,204	235,687
Collection Fund Surplus / Deficit	-1,505	2,000	0	0
	<u>68,996</u>	<u>71,110</u>	<u>73,249</u>	<u>75,830</u>
<b>Projected Band D Council Tax - Tower Hamlets</b>	£865.64	£885.52	£907.67	£930.35

**COMMITTED GROWTH 2010/11**

<b>Directorate</b>	<b>Description</b>	<b>Amount £000s</b>
Adults, Health & Wellbeing	Learning Disabilities Commissioning	724
Children's Services	Disabled Children (section 17)	157
	Primary School Transport	160
	Children's Fieldwork (fallout of growth)	-186
	School Meals (fallout of growth)	-70
	BSF client side (fallout of growth)	-100
Development & Renewal	Local Development Framework	300
	Barkantine heating system	13
Communities, Localities & Culture	Transportation, treatment & disposal of waste	1,031
	Waste collection	44
Chief Executive	Best Value Satisfaction Survey	60
Resources	Office accommodation costs (fallout of growth)	-620
Corporate	Employer contributions to Pensions Fund	600
	<b>Total</b>	<b>2,113</b>

**SAVINGS 2010/11**

<b>Directorate</b>	<b>Description</b>	<b>Amount £000s</b>
Adults, Health & Wellbeing	Improved efficiency of procurement of supplies and services	150
	Business process reengineering	-34
Children's Services	Staffing review	375
	Unit costs analysis	228
	Streamlining support for families in need	56
	Children's social care commissioning	100
	Organisational restructure of YPL	40
	Attendance Welfare Service – invest to save	78
	Non statutory support to schools	25
	Vendor managed service	30
	Young people outside school	40
	Review of statutory and non-statutory provision	250
	Early Years Advisory Team	50
	Streamlining of extended provisions	70
	Restructure of Quality & Audit team	24
	EYCL efficiencies	197
Communities, Localities & Culture	Reduce street light maintenance	30
	Re-provision of leisure facilities	230
	Parking revenue	332
	Trade waste	200
Development & Renewal	Technical support to Planning & Building Control	49
	Review of Housing related employment initiatives	50
	Horizontal savings	12
	Corporate Match Funding	20
	Digitisation Project	120
Chief Executive's	Reduction in communications expenditure	81
	Registration of Births, Marriages & Deaths	20
	Other	151
Resources	Procurement of agency staff	20
	Efficiency in the administration of benefits	100
	Other	302
<b>TOTAL</b>		<b>3,396</b>

# Agenda Item 13.1

<b>Committee</b> Cabinet	<b>Date</b> 6 May 2009	<b>Classification</b> Unrestricted	<b>Report No:</b>	<b>Agenda No:</b>
<b>Report of:</b> Corporate Director Development and Renewal		<b>Title:</b> Review of the Council's Lettings Policy		
<b>Author:</b> Jackie Odunoye Service Head Strategy Regeneration and Sustainability		<b>Wards affected:</b> All		

## 1. SUMMARY

- 1.1 This report sets out progress on recommendations of the report of the Scrutiny Working Group on choice based lettings agreed by Cabinet on 3.12.2008 , to review the current priority system for and the 4 Community Groups and to develop a lettings policy easier for customers to understand.
- 1.2 Proposals for a revised Lettings Policy are being developed by a sub-group of the Common Housing Register Forum with external consultancy support. The report sets out the direction of travel of the work so far and the principles on which a revised policy should be based. Examples of proposals under consideration are set out in the report and attached appendices.

## 2. RECOMMENDATIONS

- 2.1 The Cabinet is asked to note the contents of the report.
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### **3. BACKGROUND**

- 3.1 Section 166 of the Housing Act 1996 requires local authorities to have an allocations scheme for determining priorities for housing. Local authorities are also required to give reasonable preference to applicants in housing need and to award greater priority where there are multiple or urgent needs. Applicants entitled to reasonable preference are: homeless households; applicants in overcrowded or unsatisfactory living conditions; applicants who need to move on welfare or medical grounds including disability; applicant who need to move where hardship may occur.
- 3.2 Allocations schemes vary considerably across London. Schemes are made up of points schemes, points schemes combined with bands and band alone schemes. The number of bands used range from 4 to 9. Some have additional mechanisms within bands to determine priority, either points or bands within band. Schemes need to comply with statutory requirements and be as simple as possible to explain and administer whilst achieving their purpose of allocating limited housing supply across different demand groups and levels of housing need. This is a difficult balancing exercise and as a major policy change affecting a large number of people, extensive consultation will be required before a final report is brought to Cabinet for decision.

#### **Tower Hamlet's Lettings Policy**

- 3.3 The policy was introduced in 2002 when choice based lettings was implemented. It was amended in 2005. It consists of 4 bands or Community Groups – each containing categories of applicants grouped according to housing need and in an order of priority. The method for awarding priority within each band is different. Community Group 1 consists of: emergencies (sorted by waiting time then overcrowding); decants (sorted by waiting time, medical awards, overcrowding); under occupiers (sorted by most bedrooms released, then medical awards). Priority in Community Group 2 is by health awards, then by number of bedrooms lacking and then by waiting time. Priority in Community Group 3 is awarded to the highest level of overcrowding, regardless of the time a household has waited. Very few are rehoused from Community Group 4.
- 3.4 The scheme consists of a relatively small number of bands but in order to be workable required mechanisms within the bands to determine priorities. The Scrutiny Review found there was a significant lack of public trust and confidence in the existing scheme. There is a commonly held view that too much discretion is allowed under the existing scheme when making allocation decisions. The potential negative impact of this on community cohesion and stability is a significant concern. A strong theme in the Scrutiny report was to develop a revised scheme that was more transparent and open and that would generate greater public trust and confidence.

#### **Use of Targets**

- 3.5 The Code of Guidance on Allocation of Accommodation and choice based lettings, issued by the Department of Communities and Local Government CLG supports the use of targets, for example to ensure a balance of housing supply between existing tenants and new applicants, or promoting more sustainable or balanced communities.
- 3.6 Targets have been applied in Tower Hamlets for some years, for example, an annual target for homeless households is set. The target for lettings to social housing tenants was set at 30% of supply in 2002 and has remained so ever since. The



Scrutiny Report stated it was unclear how decisions were made about targets. Within the Common Housing Register Group there is uncertainty about the relationship between the Lettings Policy and targets and whether the use of targets detracts from choice based lettings and the transparency of the process.

#### **4.0 Body of the Report**

- 4.1 A revised lettings policy must meet customer needs for an accessible and easier to understand policy and must generate greater trust and confidence. It must support the Council's strategic housing objectives, in particular to reduce overcrowding and to support creating and maintaining sustainable communities. It must also be demonstrably non discriminatory. It must comply with the legislation by giving reasonable preference to applicants in housing need and give greater priority where urgent housing need occurs. The existing scheme has been criticised for inconsistent allocation decisions and is considered to be too open to interpretation.

#### **Waiting time and Newham House of Lords judgement**

- 4.2 Newham Council's allocation scheme gives greater priority to waiting time than most. Its recent appeal to the House of Lords against a decision by the Courts, that the policy was unlawful, was allowed by the House of Lords (March 2009). The judgement stated that although a local authority must give reasonable preference to those in housing need, there is no legal requirement to do so in any particular way, for example by giving housing need priority over waiting time. In balancing housing need against waiting time, the effect of the judgement is likely to reduce the risk of legal challenge if waiting time is given greater priority as long as reasonable preference is given to those in housing need and that the scheme gives additional preference where multiple or additional urgent need factors apply.
- 4.3 Priority within bands based upon waiting time is more likely to be perceived as fair and transparent than the relatively complex priorities in the existing scheme. Separation of levels of housing need into bands is explainable and understandable. The advantage of giving priority within a band by waiting time means applicants only ever move up the priority order within the band. This is easier to understand and more acceptable to applicants. It may also make it easier to give them information about their housing chances.
- 4.4 However, the Scrutiny Report identified the potential risk, that whilst waiting time can bring greater transparency and simplicity to allocations policy, it will be less responsive to individual needs. A revised allocations scheme will need to strike a balance. But the reality is that greater priority to waiting time may mean an applicant will be rehoused e.g. on overcrowding grounds ahead of an applicant with a greater level of overcrowding who applied later. This will reverse the present policy position, but can be argued that this is fairer amongst competing cases where levels of overcrowding are high rather than seeking to make fine distinctions between levels of need and awarding priority accordingly.

#### **Direction of Travel**

- 4.5 The existing Lettings Policy contains priorities for allocating a limited housing supply that were largely set in 2002 and are now under review. Targets are used, but how they are arrived at, who decides them and accountability for these decisions is unclear. There is uncertainty within the Common Housing Register Group and the service generally about the relationship between choice based lettings and targets. This report proposes that decisions on targets for apportionment of limited housing

supply is a strategic matter central to achieving the Council's objectives as set out in the draft Housing strategy and the overcrowding reduction strategy. Amending the existing 4 Community Groups without addressing how targets are derived will not provide a complete solution.

- 4.6 It is proposed that the Lettings Policy should consist of two main elements. 1) An Allocations Scheme and 2) an Annual Lettings Plan.

#### **Lettings Plan**

- 4.7 It is proposed that an annual Lettings Plan is produced, taking into account: anticipated supply of housing; the Council's strategic housing objectives; housing need; statutory and contractual obligations; development/ decant requirements; the cost of temporary accommodation and other financial considerations; any Council landlord responsibilities and the need to make the best use of the social housing stock. Targets should also be set for all the existing quota groups. Consultation with partners and other interested groups should form part of the process. Targets and the rationale for them should be set out in a Lettings Plan that should be agreed by Cabinet and then be published.

#### **Allocations Scheme**

- 4.8 The Allocations Scheme (formerly termed the Lettings Policy) will set out the preferred priority structure for administering choice based lettings. It should clearly set out the criteria for the bands, that targets for each band are set, how they are set and why they are needed. This will help manage customer expectations, improve transparency and will support gaining confidence in the process.
- 4.9 The Allocations Scheme should be designed so that it broadly deliver the targets in the Lettings Plan through choice based lettings in the main. However, in order to achieve the targets, it may be necessary for lettings to one group to be held back over another for a limited period until targets are brought into line. This is normal practice at present but it should be more explicit through all aspects of the process by being stated in the Allocations Scheme, the published Lettings Plan and in property bulletins when appropriate. The main theme, clearly stated would be that the targets have been set by the Council, in consultation with its partners and stakeholders, in order to achieve its strategic objectives.
- 4.10 It is proposed that the existing targets for homeless, tenants and quota groups are maintained pending the conclusion of consultation and final report to Cabinet for a revised Allocations Scheme. This report should be accompanied by a Lettings Plan for approval for the remainder of 09/10 with further review in April 2010 and full Lettings plan 2010/2011. It is proposed that performance against the Lettings Plan should be reported to Cabinet on a six monthly basis but any significant movement away from targets in the Plan should be reported earlier.

#### **Review and re-design of the Allocations Scheme**

- 4.11 The revised Allocations Scheme should incorporate the following principles, derived from the Scrutiny Report recommendations: -
- a. Ensure increased priority to overcrowded households
  - b. Reduce perceived incentives to make a part 7 application
  - c. Give greater priority to waiting time
  - d. Introduce date order within bands where appropriate
  - e. Improve the management of expectations
  - f. Reduce the level of discretion in allocation decisions
  - g. Achieve least complexity compatible with the purpose

- h. Achieve greater transparency, openness, accessibility of the scheme
  - i. Achieve greater trust and confidence in the Allocations Scheme
- 4.12 To comply with the legislation, the revised scheme must also give reasonable preference to those in housing need, cater for multiple levels of need, award additional preference where need is urgent and distinguish from applicants who do not meet any of the reasonable preference criteria from those that do.
- 4.13 The review sub – group of the Common Housing Register Forum is examining options to amend the existing 4 Community Groups in order to achieve the objectives set by the Scrutiny Working Group and Cabinet. Under consideration are: creating dual decant categories in separate bands; separating overcrowded households so that the most severe are moved to a higher band; moving priority need homeless households to a lower band; merging homeless households and overcrowded households within a band, prioritised in date order; ending the mix of applicants within a band who meet the reasonable preference criterion with those who do not.
- 4.14 The priority order for the existing scheme is set out in Appendix 1. The starting point for review of the scheme has been to design a scheme that gives greater priority to the length of waiting time wherever possible. A second determining factor has been to consider whether to combine priority need homeless and overcrowded households into a single band with priority determined by date order or to spread overcrowded households across more than one band to give priority to the most overcrowded. An option is to place households lacking 3 bedrooms or above into CG 2 with the remainder of overcrowded and priority need homeless households in a lower band with priority determined by date order. This would retain the level of housing need as the primary determinant of priority for the worst cases thus reducing the risk of legal challenges. This would also support the Council’s overcrowding reduction strategy whilst putting a substantial number of other households into a single date order queue thus achieving a simpler and easier to administer scheme for a large number of households in housing need.
- 4.15 This contrasts with the present scheme where all overcrowded households are in CG3. Even the most overcrowded have lower priority in the choice based lettings bidding process as extenuating social need cases or priority homeless cases in CG2 get greater priority.
- 4.16 An important issue to resolve is the use of date order for determining priority. At present in CG3 priority is given on the basis of the applicant with the highest level of overcrowding first followed by the earliest date of registration. Different priority measures are used in CG1 & 2 date dependent upon the category although where date order is applied it is the date of being placed in the higher band.
- 4.17 Date of registration is an option and is used by some boroughs but if households have been on the register some time, but not in housing need and then acquire a housing need (e.g. birth of children and lacking bedrooms) they would get priority over households who have had a housing need for much longer, but have not been registered for so long. Although date order is likely to be seen as fairer this could be undermined by this example.
- 4.18 An alternative would be to give date order priority from the date a household became overcrowded. However there are data issues in acquiring this information for all overcrowded households on the register many of whom have been registered for many years, due to changes in IT systems and policies overtime. Under the existing scheme CG3 consists of overcrowded and non overcrowded households and it may

only be possible to identify when an applicant moved from the latter to the former by researching each individual case records. How best to retrieve this data is being pursued.

- 4.19 As homeless households have for some years been allocated the highest proportion of available supply, the changes discussed above will reduce the amount of supply to homeless although may also have an effect on reducing demand in the first place. Proposals are being evaluated in order to anticipate their impact on homeless demand and temporary accommodation and how this is likely to change over time once the policy has been implemented. This can be taken into account when final policy decisions are made and will help identify the need for any transitional arrangements.
- 4.20 The review is considering how best to achieve planned objectives and resolve some of the above issues within a 4 or 5 band structure. Extending the number of bands is in line with DCLG Guidance that suggests this may be a better option than having less bands but more complexity within them.
- 4.21 A revised 4 and 5 band scheme are under consideration and how they would work in practice is being modelled and evaluated (see appendices 2 & 3). This will include an equalities impact assessment. This work is being taken forward by a sub – group of the Common Housing Register Forum. Agreed proposals will be taken to wide consultation with the public, with partners, voluntary sector agencies and other Council services with the support of the Council’s Participation and Engagement Team. The consultation and a timetable are being developed for returning to Cabinet with final proposals for decision. Other policy issues under consideration are set out below.

### **Community Group 3**

- 4.22 Community Group 3 consists of 15,000 applicants or 67% of the register. Approximately 7,500 are overcrowded households and therefore fall within the reasonable preference criteria. The remaining 7,500 households do not meet any of the reasonable preference criteria and therefore are not in housing need. CLG guidance is clear that a band should not contain both categories. These groups must be separated in a revised scheme, especially if date order is to be used to give priority. Without doing this, applicants with no housing need could be offered housing before overcrowded households simply because they had been on the register for longer. A revised scheme is likely to re-locate applicants with no reasonable preference in Community Group 4 or the lowest band in a revised 5 band scheme. This would reduce unrealistic expectations and may reduce some of the high volumes of bidding.

### **Direct Offer Policy**

- 4.23 Direct offers are lettings made outside the choice based lettings process. Under the existing scheme the policy allows for direct offers to be made to homeless households who have not bid for or accepted a permanent home after 12 months from acceptance in order to conclude the Council’s statutory duty. But the majority of properties are let through choice based lettings. This is in contrast to other councils, for example, Newham Council which lets a third of its property by direct offers as a policy. Many boroughs let a significant proportion of property by direct offer.

- 4.24 The review is unlikely to recommend a radical departure from the present position of the majority of property let through choice based lettings. But it is proposed to examine the case for a direct offer policy to be available that may benefit some applicants and the Council. For example, as part of a local lettings plan aimed at reducing overcrowding; to facilitate a “ knock through “; to rehouse some vulnerable customers; for public protection cases; to ensure the Council has met a legal obligation; to resolve emergency cases quickly and to facilitate under occupation moves.

#### **Quotas**

- 4.25 The existing scheme has quotas in Community Group 2 to give priority to certain groups. For example, applicants leaving supported housing; key workers; rough sleeper initiative schemes; sons & daughters of existing tenants. About 145 mainly bed-sit or 1bed properties are let annually through the quotas. The Lettings Policy contains targets from 2002 for some quota groups but not all. There is wide variation across the groups. For example in 08/09, key workers received 43 properties (30% of total quota lets); the sons & daughters quota received 8 properties (6% of all total quota lets).
- 4.26 It is proposed that an annual target is set for each group in line with the Council's objectives and be set out in the Lettings Plan

#### **Sons & Daughters quota**

- 4.27 The existing sons & daughters quota was designed to assist transfer for urgent medical cases, severe disrepair or for severely overcrowded households. Only 8 applicants were rehoused in 08/09. One reason for this may be that the level of overcrowding to qualify is set very high.
- 4.28 To qualify under the existing scheme, the parents household must lack three bedrooms (excluding the adult son or daughter applicant) i.e. lacking at least 4 bedrooms. It is proposed consideration is given to reduce this requirement, subject to assessment of the likely demand and an equalities impact assessment before taking the proposals to wider consultation. It is proposed that consideration be given to an additional criteria be added where rehousing an adult child of a tenant would support the provision of foster carer placements.

#### **Under Occupation Policy**

- 4.29 1,300 tenants have registered for an under occupation transfer but only 80 were rehoused in 08/09. There may be potential to increase this number amongst households who are unable to move because at present they feel they need space in the family home for adult children. It is proposed to consider a policy to be able to offer a smaller property to parents and a bed-sit / 1bed to adult children to release a much needed larger property. This is an example where a direct offer policy would be needed as simultaneous offers would need to be made.

#### **Bidding Policy**

- 4.30 Under existing scheme applicants can bid for any size of property regardless of their bedsize needs and as often as they wish. During 2008 the lowest number of bids in a week was 15,000, the highest 50,000, an average over the year of 500 bids per property advertised. This is a very high rate of bidding by London authority standards.

- 4.31 The Scrutiny Report considered restricting bidding to 2 bids per applicant per cycle. A policy change to restrict bidding to applicant's bedsize (or one below their needs) attracts wide support. It is therefore proposed that a change is introduced to restrict bidding to the applicants bedsize only, or in defined circumstances, one bedroom less. However opinions differ widely on restricting the number of bids, at present unlimited. The Common Housing Register Forum partners are concerned that some high priority applicants make many successful bids, receive offers and regularly refuse them. This impacts on void rates, is administratively costly and undermines the process. This "scatter gun approach" and a high refusal rate may suggest some applicants place little value on their bids which may be encouraged by the existing policy.
- 4.32 Alternatively the issue may be less the number of bids, but the seriousness of the bids. Improved feedback and personalised information about position on the register might result in more targeted and valued bids by applicants. Many applicants are bidding with no hope of success with 22,000 on the register and annual supply of approximately 2,000 properties. An effective answer may be a combination of a revised scheme that clearly separates those with hope of rehousing from those with very little, better quality customer feedback and measures to encourage more "valued" bidding. The review will explore options to reform bidding policy, including whether to recommend a limit on the number of bids to perhaps 2 or 3 in line with common practice in most London boroughs but will consider carefully the outcome of an equalities impact assessment before taking firm proposals to wider consultation.

### **Medical Assessments**

- 4.33 Medical Assessments are carried out by qualified medical personnel provided by Now Medical since 2004 when the service provided by the PCT qualified nursing staff came to an end. The effect of this change was to have decisions made by GP's rather than qualified nurses although the PCT continued to provide a resource for an independent 2<sup>nd</sup> stage appeal. This change achieved significant reduction in costs. However, the Scrutiny Working Group noted considerable dissatisfaction with the process and recommended (R9) a review be undertaken to address concerns of accuracy and quality and to give consideration to best practice with a view to improving the transparency of the process; extending the time for appeals; researching other potential providers; sampling the work undertaken by Now Medical and considering introducing self assessments.
- 4.34 A search for alternative providers has proved unsuccessful although a comparison with other boroughs indicates that the process in Tower Hamlets has some strengths. In that it has an initial decision stage followed by a two stage appeal process with the 2<sup>nd</sup> stage appeal carried out independently by the PCT. Compared with other boroughs, on the face of it the system has robust checks and balances but it nevertheless does not command the support and confidence of some applicants and members. The review has therefore concentrated upon examining the process itself and identified areas for improvement in response to the concerns identified by the Scrutiny Working Group.
- 4.35 It is proposed to extend the time from 3 to 4 weeks for notification of intent to appeal. As at present, within this time period all that is required is that an applicant notifies of intent to appeal. They can subsequently submit full details of their reasons for appeal with supporting evidence and there is no set limit of time for them to do this. There are no proposals to change this but a review of correspondence and

information given to applicants is being undertaken to ensure this is made clear to applicants.

- 4.36 Where an applicant is successful at appeal stage, their preference date for entry to CG2 had been the date of appeal. This has now been amended to the date of the application to bring them into line with all applicants who are successful at the initial decision stage.
- 4.37 At present a Lettings Officer can decide in some cases whether a medical assessment is required where it is apparent that the application is most unlikely to succeed. This can be difficult for applicants to accept, as a medically qualified person does not make the decision. Ending this practice is under consideration so that all decisions made on an application for medical assessment are made by a qualified medical person.
- 4.38 An analysis of appeal decisions at 1<sup>st</sup> and 2<sup>nd</sup> stage for 3 years shows that a higher percentage of appeals were granted at 2<sup>nd</sup> stage appeal than at 1<sup>st</sup> stage. A full sample of cases will be examined in detail to determine the reasons for this and to identify action if appropriate.
- 4.39 The quality of decision letters to applicants requires improvement. Samples indicate a lack of sufficient information in support of the decision for the applicant to be able to understand the decision or feel that their application has been given careful consideration. The review is examining how best to provide a fuller response for applicants, in particular to ensure the medical comments given fully address the relationship between the housing conditions and medical factors.
- 4.40 It should be noted that Now Medical advisers are in effect applying the Council's policy on medical assessments but in an advisory capacity only. The decision is one taken by the Council and decision letters to applicants should demonstrate that the Council's decision has taken into account all the available evidence and the reasons for the decision rather than simply repeating the Now Medical advisor's comments.
- 4.41 A customer survey is being planned to test customer experiences of the process and to identify where from the customer perspective improvements can be achieved.
- 4.42 The Scrutiny Working Group identified a concern that not all applicants for medical assessments are visited and the difficulty members have in explaining this to their constituents. Where there is a mobility issue, all applicants are visited by an occupational therapist who can make the appropriate decision for medical priority as required. The review will examine the criteria for home visits to consider whether there is a case for extending them although there will be a cost implication.

#### **Foster Carers**

- 4.43 The existing Lettings Policy provides for Foster Carer households sponsored by Social Services to be considered for one extra bedroom as one of the quotas in Community Group 2. There is no fixed limit on the number of cases annually under this quota although applicants are expected to follow the choice based lettings process and are therefore in competition with other high priority cases.
- 4.44 The Corporate Parenting Group made representations to the Scrutiny Working Group to consider developing the Lettings Policy to give additional priority in order to expand the pool of foster carers. The Scrutiny Working Group considered that in the context of high levels of demand on housing supply and the potential that foster caring duty

might cease at some point, it was inappropriate to take this course of action. Working with RSL partners and developers to secure funding to assist foster carers to secure shared ownership was considered an appropriate alternative. However, where an adult child of a foster carer household was willing to move, thus freeing a space for a foster carer placement, assistance could be provided as the supply of 1bed or bedsit accommodation is greater than that of family units. It is proposed therefore that the criteria to qualify under the existing sons & daughter's quota is extended to include adult children of foster carer households.

## **5 COMMENTS OF THE CHIEF FINANCIAL OFFICER**

This report asks Members to note the progress made to date in reviewing the Lettings Policy following the report of the Scrutiny Working Group on choice based lettings. The resource implications of progressing the review are officer time and associated costs. Any recommendations to amend existing lettings policies and procedures will be presented to Cabinet for decision and any financial implications considered at the time.

## **6 CONCURRENT REPORT OF THE ASSISTANT CHIEF EXECUTIVE (LEGAL)**

- 6.1. Cabinet is asked to note the report, which provides details of a review of the Council's Lettings Policy, including consultation with partners and stakeholders. Proposals for amendments to the Lettings Policy will need to be brought back in a further report to Cabinet.
- 6.2. The Council is required by section 167 of the Housing Act 1996 to have a scheme for determining priorities and the procedures to be followed in allocating housing accommodation. The Council is required to allocate housing in accordance with the allocation scheme. The Lettings Policy serves the function of an allocation scheme in Tower Hamlets.
- 6.3. It is proposed that in future the Lettings Policy should consist of two parts: an allocations scheme; and an annual lettings plan. The allocations scheme part of the Lettings Policy fulfils the statutory obligation identified above. It is proposed that the annual lettings plan will set targets having regard to strategic objectives in respect of housing in the borough. Whilst the ultimate form of the annual lettings plan remains to be seen, there is no reason why this should not be prepared consistent with good administration having regard to the Council's housing functions and strategic objectives.
- 6.4. It is proposed that the allocations scheme will be amended in line with nine principles identified in paragraph 4.11 of the report. There is no fundamental obstacle to revision in line with these principles, but care will have to be taken to examine the lawfulness of any proposed changes. For example, one of the principles is concerned with giving increased priority to overcrowded households. The Act makes clear that in the formulation of its allocations scheme, the Council is obliged to ensure that reasonable preference is given to nominated classes of people, which include those suffering from insanitary or overcrowded accommodation. The Council may give additional preference to such people. Accordingly, amendments to effect increased priority for overcrowded households may well be lawful. However, final determination of the lawfulness of any proposed amendments will have to be assessed by reference to the actual terms of the amendments. Ultimately, care will need to be taken that any amendments proposed to Cabinet result in an allocations scheme that is lawful and compliant with Part 6 of the Housing Act 1996.



- 6.5. Section 167 of the Housing Act 1996 specifies minimum mandatory consultation required before making an alteration to an allocation scheme reflecting a major change of policy. The Council is also required to consider statutory guidance when exercising its functions under the Act. The Code of Guidance issued by the Secretary of State recommends consultation with social services departments, health authorities, supporting people teams, connexions partnerships, relevant voluntary sector organisations and other recognised referral bodies. The guidance recommends a minimum consultation period of 12 weeks.

## **7 ONE TOWER HAMLETS CONSIDERATIONS**

There are many severely overcrowded households on the Housing Register which will correlate with poverty levels in many instances. Overcrowding is known to have a detrimental effect on family life, generating family conflict and breakdown, ill – health, poor school performance and anti social behaviour. The direction taken by the review of the Council’s Lettings Policy is to develop a revised Allocations Scheme and annual Lettings Plan that will support the Council’s strategic objectives and its overcrowding reduction strategy. Reducing overcrowding will have an impact on reducing poverty levels and therefore inequalities in the borough.

The Scrutiny Working Group that examined the choice based lettings process identified a lack of confidence and trust in the existing Lettings Policy, Competition for scarce social housing resources is fierce in the borough and perceptions of lack of fairness or one group benefiting over another undermines community stability. Developing and maintaining sustainable communities was another issue raised by the Working Group and in this respect the review of the Lettings Policy will include examination of the existing sons & daughters quota and the development of local lettings plans.

Both the existing policy and proposals being developed will be subject to equalities impact assessment before any firm proposals will be taken forward for wider consultation. Should the testing and modelling aspect of any proposals and equalities impact assessments identify any potential differential impacts then the proposals will be modified accordingly to ensure they are non discriminatory.

A consultation strategy is being developed that will actively engage communities by providing opportunities for consultation , participation and involvement in the development of an important area of policy that impacts upon many sections of the community before final decision by Cabinet.

## **8 SUSTAINABLE ACTION FOR A GREENER ENVIRONMENT**

None

## **9 RISK MANAGEMENT IMPLICATIONS**

This proposed Lettings Plan and Allocations Scheme must be framed within the relevant provisions of the Housing Act 1996, or it may be subject to challenge, it should also follow the Code of Guidance on Allocation of Accommodation and choice Based Lettings issued by CLG. Work with RSL partners and consultation with residents will therefore need to balance these requirements with local policy aspirations. In particular the desire to give greater priority to waiting time, because this is more transparent and less complex will need to be balanced against the need

to ensure that reasonable preference is given to those in housing need and that additional preference is given where there are multiple or urgent needs.

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**10 EFFICIENCY STATEMENT**

An aim of the review of Lettings Policy is to achieve a simpler, easier to administer policy that is perceived to be fairer by housing applicants, with a simplified bidding process that is more fit for purpose. This should reduce the amount of administrative time and office time spent on explaining the existing policy to customers and therefore have the potential to achieve greater efficiency.

**11 APPENDICES**

Appendix 1 - Banding Structure of Existing Lettings Policy  
Appendix 2 - Revised 4 band scheme under consideration  
Appendix 3 - Proposed 5 band scheme under consideration

**12 BACKGROUND PAPERS**

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

Tower Hamlets Lettings Policy  
1996 Housing Act  
2002 Housing Act ( Homelessness)  
DCLG Allocation of Accommodation : Choice Based Lettings - Code of Guidance for Local Authorities  
Contact Officer : Jim Elliott ( Lettings Project Leader)  
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**Appendix 1 Existing Allocations Scheme (from 2002)**

CG1 (Community Gain)		CG2 (Community Priority)		CG3 (Community Mobility )		CG4 (Community General)	
Category	Sorted by	Category	Sorted by	Category	Sorted by	Category	Sorted by
<b>Emergencies</b>	<ul style="list-style-type: none"> <li>Referral date</li> <li>Lacking most bedrooms</li> </ul>	<b>Pr Need Homeless</b>		<b>Applicants not included in CG1,2 or 4</b>		<b>RSL's not members of CHR</b>	
<b>Decants</b>	<ul style="list-style-type: none"> <li>Earliest demolition date</li> <li>No of medicals</li> <li>Lacking most bedrooms</li> </ul>	<b>Extenuating Health</b>	<ul style="list-style-type: none"> <li>Most health awards</li> <li>Lacking most beds</li> </ul>	<b>Overcrowded lacking 1,2,3 bedrooms</b>	<ul style="list-style-type: none"> <li>Most bedrooms short</li> </ul>	<b>Property Owners</b>	<ul style="list-style-type: none"> <li>Most bedrooms short</li> </ul>
<b>Under Occupiers</b>	<ul style="list-style-type: none"> <li>Give up most bedrooms</li> <li>No of medical awards</li> </ul>	<b>Extenuating Social need</b>	<ul style="list-style-type: none"> <li>Referral date</li> </ul>	<b>Non Pr Homeless</b>		<b>No local connection</b>	
		<b>Quotas</b>		<b>No Housing Need Mobility like for like applicants</b>			
		Care leavers	<ul style="list-style-type: none"> <li>Some with targets</li> </ul>				
		CATHZO					
		Intensive support	<ul style="list-style-type: none"> <li>Date order</li> </ul>				
		Foster Carers					
		Living with tenant decant					
		Sons & Dtrs					
		Key Workers					

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**Appendix 2 : 4 Band Scheme: Key Changes – Worst Overcrowded ( 3 bed short) into CG2; Priority need homeless and 1 or 2 bed short applicants into CG 3 ; No housing need from CG3 to CG4; Decants divided between CG1 & 2;**

CG1 (Gain)		CG2 (Priority)		CG3 (Mobility )		CG4 (General)	
Category	Sorted by	Category	Sorted by	Category	Sorted by	Category	Sorted by
<b>Emergencies</b>	<ul style="list-style-type: none"> <li>Referral date</li> <li>Lacking most bedrooms</li> </ul>	<b>Overcrowded lacking 3 bed or more)</b>	<i>Health awards then overcrowding then in preference date order ie/ date of decision to place in the band</i>	<b>Pr Need Homeless</b>	<i>Date order of registration or date order from when became in housing need</i>	<b>RSL's not members of CHR</b>	Date Order of registration
<b>Decants under one year</b>	<ul style="list-style-type: none"> <li>Earliest demolition date</li> <li>No of medicals</li> <li>Lacking most bedrooms</li> </ul>	<b>Decants over one year</b>		<b>Overcrowded lacking 1 or 2 beds</b>		<b>Property Owners</b>	
<b>Under Occupiers</b>	<ul style="list-style-type: none"> <li>Give up most bedrooms</li> <li>No of medical awards</li> </ul>	<b>Extenuating Health</b>  <b>Extenuating Social need</b>		<b>Non Pr Homeless</b>		<b>No local connection</b>	
		<b>Quota Groups</b>	<ul style="list-style-type: none"> <li>Date order</li> </ul>			<b>No Housing Need</b>	Date Order of registration

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Appendix 3 : 5 band Scheme - Key changes : Worst Overcrowded (lacing 3 bed + ) into CG2; Priority Need Homeless and overcrowded 2 bed short in CG 3; New CG 4 for lowest level of overcrowding, non priority homeless, any other cases that meet a reasonable preference criteria other than overcrowding ; New CG 5 for all applicants who do not meet reasonable preference criteria; Decants divided between CG1 & 2; Quotas remain in CG2.

CG1	Most Urgent	CG2	Urgent	CG3	Priority	CG4	General	CG5	Residual
Category	Sorted by	Category	Sorted by	Category	Sorted by	Category	Sorted by	Category	Sorted by
Emergencies	Referral date Lacking most bedrooms	Overcrowded lacking 3 beds	Overcrowding then health award, then date order of preference date in the band ?	Pr Need Homeless	Date Order only from date order of registration or date order of housing need ?	Overcrowded lacking 1 bed	Date Order of registration or date order of housing need?	RSL's not members of CHR	Date Order
Decants under one year	Earliest demolition date No of medicals Lacking most bedrooms	Decants over one year		Overcrowded lacking 2 beds		Non Priority Homeless		Property Owners	
Under Occupiers	Give up most bedrooms No of medical awards	Extenuating Health (No targets)		Lacking amenities		No local connection			
		Extenuating Social need							
		Quotas	Date order					No Housing Need	
		Care leavers							
		CATHZO							
		Int support							
		Foster Carers							
		Living with tenant decant							

		Sons & Dtrs							
		Key Workers							