

CABINET

MAYOR

Mayor John Biggs

CABINET MEMBERS

Councillor Sirajul Islam	(Statutory Deputy Mayor and Cabinet Member for Housing Management & Performance)
Councillor Shiria Khatun	(Deputy Mayor and Cabinet Member for Community Safety)
Councillor Rachael Saunders	Deputy Mayor and Cabinet Member for Education & Children's Services
Councillor Rachel Blake	(Cabinet Member for Strategic Development)
Councillor Asma Begum	(Cabinet Member for Culture)
Councillor David Edgar	(Cabinet Member for Resources)
Councillor Ayas Miah	(Cabinet Member for Environment)
Councillor Joshua Peck	(Cabinet Member for Work & Economic Growth)
Councillor Amy Whitelock Gibbs	Cabinet Member for Health & Adult Services

[The quorum for Cabinet is 3 Members]

MEETING DETAILS

Tuesday, 6 December 2016 at 5.30 p.m.
C1, 1st Floor, Town Hall, Mulberry Place, 5 Clove Crescent, London, E14 2BG

The meeting is open to the public to attend.

Further Information

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

Contact for further enquiries:

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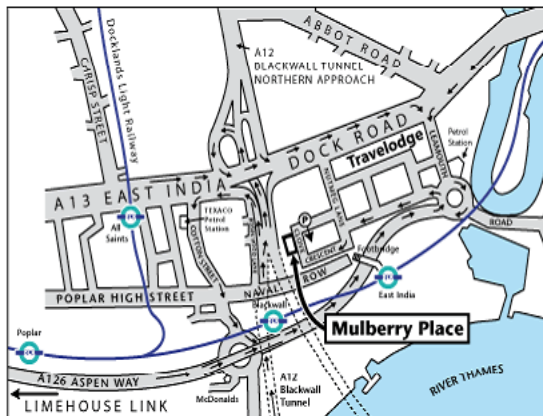
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A Guide to CABINET

Decision Making at Tower Hamlets

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

Which decisions are taken by Cabinet?

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

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

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

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

Published Decisions and Call-Ins

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

- The decisions will be published on: **Thursday, 8 December 2016**
- The deadline for call-ins is: **Tuesday, 13 December 2016**

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

Public Engagement at Cabinet

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

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

LONDON BOROUGH OF TOWER HAMLETS

CABINET

TUESDAY, 6 DECEMBER 2016

5.30 p.m.

	Pages
1. APOLOGIES FOR ABSENCE	
To receive any apologies for absence.	
2. DECLARATIONS OF DISCLOSABLE PECUNIARY INTERESTS	1 - 4
To note any declarations of interest made by Members, including those restricting Members from voting on the questions detailed in Section 106 of the Local Government Finance Act, 1992. See attached note from the Monitoring Officer.	
3. UNRESTRICTED MINUTES	5 - 16
The unrestricted minutes of the Cabinet meeting held on 1 st November, 2016 are presented for approval.	
4. OVERVIEW & SCRUTINY COMMITTEE	
4.1 Chair's Advice of Key Issues or Questions	
Chair of Overview and Scrutiny Committee (OSC) to report on any issues raised by the OSC in relation to unrestricted business to be considered.	
4.2 Any Unrestricted Decisions "Called in" by the Overview & Scrutiny Committee	
(Under provisions of Article 6 Para 6.02 V of the Constitution).	
5. UNRESTRICTED REPORTS FOR CONSIDERATION	
5.1 Medium Term Financial Strategy (MTFS) Planning 2017-18 to 2019-20 - Update	
Report Summary: Update on the Budget consultation, development of Capital & Investment strategies and key messages arising from the Autumn statement	

Wards: All Wards
Lead Member: Cabinet Member for Resources
Corporate Priority: One Tower Hamlets

5.2 Corporate Budget Monitoring - Month 6 (Q2 2016/17) 17 - 36

Report Summary:
To note the current financial position at month 6 (quarter 2).

Wards: All Wards
Lead Member: Cabinet Member for Resources
Corporate Priority: One Tower Hamlets

5.3 The Development of a London Regional Adoption Agency 37 - 68

Report Summary:
In principle agreement for the borough to work with other boroughs to develop a London regional adoption agency

Wards: All Wards
Lead Member: Deputy Mayor and Cabinet Member for Education and Children's Services
Corporate Priority: A Healthy and Supportive Community

5.4 Implementation of Charging Policy for Community Services in Adult Social Care 69 - 176

Report Summary:
To agree on the implementation the charging policy and to exercise discretion in determining how much service users will be asked to contribute to their care costs.

Wards: All Wards
Lead Member: Cabinet Member for Health and Adult Services
Corporate Priority: One Tower Hamlets

5.5 Children & Young People's Mental Health Services, Scrutiny Challenge Session Report and Action Plan 177 - 220

Report Summary:
This paper submits the report and recommendations of the Health Scrutiny sub-committee Challenge Session on Children & Young People's Mental Health Services, and the 'Action Plan' for implementation.

Wards: All Wards
Lead Member: Cabinet Member for Health and Adult Services
Corporate Priority: A Healthy and Supportive Community

5.6 Homelessness Scrutiny Challenge Session Action Plan 221 - 262

Report Summary:

This report is in response to the recommendations of the Homelessness Scrutiny Challenge Session Report that was considered by the Overview and Scrutiny Committee on 7th June, 2016.

Wards: All Wards
Lead Member: Deputy Mayor and Cabinet Member for Housing Management and Performance
Corporate Priority: A Great Place to Live

5.7 Tower Hamlets Homes Agreement 263 - 278**Report Summary:**

To extend the Council's Management Agreement with Tower Hamlets Homes for two further years to July 2020

Wards: All Wards
Lead Member: Deputy Mayor and Cabinet Member for Housing Management and Performance
Corporate Priority: A Great Place to Live

5.8 Revised Character Appraisals and Management Guidelines for Driffield Road and Medway Conservation Areas 279 - 366**Report Summary:**

Revised Character Appraisals and Management Plans for Driffield Road and Medway Conservation Areas

Wards: Bow East
Lead Member: Mayor
Corporate Priority:

5.9 Area Profiles and choice of Pilot Town Centre 367 - 382**Report Summary:**

This report seeks agreement to producing area profiles for each District Centre in the Borough that will improve the understanding of the current performance of our Town Centres. It also seeks approval of the District Centres to be included in a pilot programme of activity that will test out 'what works' and meets the Council's aspirations of creating successful and vibrant Town Centres.

Wards: All Wards
Lead Member: Cabinet Member for Strategic Development
Corporate Priority:

5.10 The Infrastructure Delivery Framework: Projects for Approval 383 - 464

Report Summary:

Approval of the allocation of S106 funding and the approval for the adoption of capital budgets in respect of the following projects:

- Brick Lane Regeneration;
- Hackney Wick Station Improvements;

A13 Commercial Road and Watney Market Public Realm and safety Improvements.

Wards: All Wards
Lead Member: Cabinet Member for Strategic Development
Corporate Priority: A Great Place to Live

5 .11 The Infrastructure Delivery Framework: Neighbourhood Portion of CIL 465 - 482**Report Summary:**

Approval of the Council's approach to administering the CIL Neighbourhood Portion.

Wards: All Wards
Lead Member: Cabinet Member for Strategic Development
Corporate Priority: A Great Place to Live

5 .12 Boishakhi Mela 483 - 498**Report Summary:**

To consider the recommendations contained within the report.

Wards: All Wards
Lead Member: Cabinet Member for Culture
Corporate Priority: A Great Place to Live

5 .13 Mayor's Individual Executive Decisions – List of Recently Published Decisions 499 - 506**Report Summary:**

The Council's Constitution provides for the Mayor to take Executive decisions either at meetings of Cabinet or outside of the meetings as Individual Mayoral Decisions.

These individual decisions are published on the Council's website but to aid transparency, this noting report lists recent individual decisions that have been taken.

Wards: All Wards
Lead Member: Mayor
Corporate Priority:

5 .14 Corporate Directors' Decisions 507 - 512**Report Summary:**

Wards: All Wards

6. ANY OTHER UNRESTRICTED BUSINESS CONSIDERED TO BE URGENT

7. EXCLUSION OF THE PRESS AND PUBLIC

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

“That, under the provisions of Section 100A of the Local Government Act, 1972 as amended by the Local Government (Access to Information) Act, 1985, the Press and Public be excluded from the remainder of the meeting for the consideration of the Section Two business on the grounds that it contains information defined as Exempt in Part 1 of Schedule 12A to the Local Government, Act 1972”.

EXEMPT/CONFIDENTIAL SECTION (PINK)

The Exempt / Confidential (Pink) Committee papers in the Agenda will contain information, which is commercially, legally or personally sensitive and should not be divulged to third parties. If you do not wish to retain these papers after the meeting, please hand them to the Committee Officer present.

8. EXEMPT / CONFIDENTIAL MINUTES

The exempt / confidential minutes of the Cabinet meeting held on xxxxxx are presented for approval.

9. OVERVIEW & SCRUTINY COMMITTEE

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

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

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

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

10. EXEMPT / CONFIDENTIAL REPORTS FOR CONSIDERATION

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

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Agenda Item 2

DECLARATIONS OF INTERESTS - NOTE FROM THE MONITORING OFFICER

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

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

Interests and Disclosable Pecuniary Interests (DPIs)

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

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

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

A DPI is defined in Regulations as a pecuniary interest of any of the descriptions listed at **Appendix A** overleaf. Please note that a Member's DPIs include his/her own relevant interests and also those of his/her spouse or civil partner; or a person with whom the Member is living as husband and wife; or a person with whom the Member is living as if they were civil partners; if the Member is aware that that other person has the interest.

Effect of a Disclosable Pecuniary Interest on participation at meetings

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

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

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

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

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

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

Further advice

For further advice please contact:-

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

APPENDIX A: Definition of a Disclosable Pecuniary Interest

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

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

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LONDON BOROUGH OF TOWER HAMLETS

MINUTES OF THE CABINET

HELD AT 5.31 P.M. ON TUESDAY, 1 NOVEMBER 2016

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

Members Present:

Mayor John Biggs	
Councillor Sirajul Islam	(Statutory Deputy Mayor and Cabinet Member for Housing Management & Performance)
Councillor Shiria Khatun	(Deputy Mayor and Cabinet Member for Community Safety)
Councillor Rachael Saunders	(Deputy Mayor and Cabinet Member for Education & Children's Services)
Councillor Rachel Blake	(Cabinet Member for Strategic Development)
Councillor Asma Begum	(Cabinet Member for Culture)
Councillor David Edgar	(Cabinet Member for Resources)
Councillor Joshua Peck	(Cabinet Member for Work & Economic Growth)
Councillor Amy Whitelock Gibbs	(Cabinet Member for Health & Adult Services)

Other Councillors Present:

Councillor Amina Ali	
Councillor Peter Golds	(Leader of the Conservative Group)
Councillor John Pierce	
Councillor Andrew Wood	

Apologies:

Councillor Ayas Miah	(Cabinet Member for Environment)
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Others Present:

Christabel Shawcross	(Safeguarding Adults Board Chair LBTH)
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Officers Present:

Mark Baigent	(Interim Head of Strategy, Regeneration, Sustainability and Housing Options)
Hong Chen	(CIL Projects Officer)
Zena Cooke	(Corporate Director, Resources)
Aman Dalvi	(Corporate Director, Development & Renewal)
Rafiqul Hoque	(Lettings Services Manager, Housing Options Service, Development & Renewal)
Debbie Jones	(Corporate Director, Children's Services)
Martin Ling	Housing Policy Manager
Adele Maher	(Strategic Planning Manager, Development and

Roy Ormsby	Renewal) (Service Head, Public Realm, Communities Localities and Culture)
Denise Radley	(Director of Adults' Services)
Peter Robbins	Head of Mayor's office
Boris Rupnik	(Youth Participation Worker, Young People & Learning)
Ann Sutcliffe	(Service Head Corporate Property and Capital Delivery, Development and Renewal)
Will Tuckley	(Chief Executive)
Owen Whalley	Head of Planning and Building Control
Graham White	(Interim Service Head, Legal Services, Law, Probity and Governance)
Matthew Mannion	(Committee Services Manager, Democratic Services, Law, Probity and Governance)
Nadir Ahmed	(Business Support Manager, Development and Renewal)

AGENDA ORDER

During the meeting the **Mayor** agreed to alter the order of items on the agenda at the request of Members and to allow public speakers to hear their items earlier on the agenda. For clarity the minutes are presented in the order that the items appeared on the agenda.

At the meeting the agenda was taken in the following order:

- Items 1 to 4.2 in sequence.
- 5.2 – (Safeguarding Adults' Board Annual Report)
- 5.1 – (Safeguarding Children's Board Annual
- 5.5 – (Our Borough, Our Plan – A New Local Plan)
- 5.7 – (Somali Task Force)
- 5.6 – (Community Buildings Report)
- 5.8 – (Fish Island CPZ)
- 5.3 – (Housing Strategy)
- 5.4 – (Common Housing Register Allocation Scheme)

1. APOLOGIES FOR ABSENCE

Apologies for absence were received on behalf of Councillor Ayas Miah, Cabinet Member for Environment.

2. DECLARATIONS OF DISCLOSABLE PECUNIARY INTERESTS

There were no declarations of Disclosable Pecuniary Interests.

3. UNRESTRICTED MINUTES

RESOLVED

1. That the unrestricted minutes of the Cabinet meeting held on Tuesday 4 October 2016 be approved and signed by the Chair as a correct record of proceedings.

4. OVERVIEW & SCRUTINY COMMITTEE

4.1 Chair's Advice of Key Issues or Questions

Councillor John Pierce, Chair of the Overview and Scrutiny Committee (OSC), addressed Cabinet to update them on the meeting of the OSC the previous week. He reported that the Committee had considered a number of issues, including that:

- Councillor Rachel Blake, Cabinet Member for Strategic Development, had come to the meeting to talk about the consultation on the new Local Plan, looking at the 15 year vision on how to deliver for the community and local economy. It was noted that there was a particular role to place for local ward councillors particularly around issues such as town centres and local infrastructure.
- The Housing Strategy was examined and particular issues noted included strengthening the relationship with Registered Social Landlords, the impact of welfare reform. There was also a discussion on how to improve 'intermediate offer' options for residents who did not qualify for social housing but who could not afford market rents.
- The regular annual report on complaints and information governance was taken and the committee reviewed an increase in complaints in respect of children's services.
- Three scrutiny review reports were received on cycle safety, literacy and contract management.

The **Mayor** thanked Councillor John Pierce for his update.

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

Nil items.

5. UNRESTRICTED REPORTS FOR CONSIDERATION

5.1 Tower Hamlets Safeguarding Children Board Annual Report 2015-16

Councillor Rachael Saunders, Deputy Mayor and Cabinet Member for Education and Children's Services, introduced the report. In particular she thanked Sarah Baker as the outgoing Chair of the Board and welcomed Stephen Ashley as the new Board Chair. Reviewing the report she then drew Members' attention to the statistical information in the pack setting out local needs and the Board's priority areas for the next year. Which were:

- Early help and early identification
- Radicalisation and extremism
- Child sexual exploitation and missing children

The **Mayor** welcomed the report and highlighted the seriousness that the Council took these issues and he commended the hard work that took place to tackle the problems highlighted.

Four Members of the Youth Council (Mazhar Alam, Maccabi Vitalis, Faiza Islam, Reya Akter) then addressed Cabinet. At recent meetings of the Youth Council they had been discussing the issues raised by the report and had discussed priorities that they considered important. In particular they highlighted:

- Bullying of people with disabilities
- Protecting children from social media and online dangers as well as how to educate parents
- The threat from extremism and radicalisation
- Postcode war fights between groups of young people

The **Mayor** thanked the young people for their contribution and highlighted how pleased and proud he was that young people in the Borough were actively looking to tackle these challenges. The **Mayor** and Cabinet as a whole thanked the Youth Council and agreed to meet with them when appropriate to talk through the issues raised.

The **Mayor agreed** the recommendation as set out in the report.

RESOLVED

1. To note the annual report from the Local Safeguarding Children Board for 2015/16.

5.2 Tower Hamlets Safeguarding Adults Board annual report 2015-16

Councillor Amy Whitelock Gibbs, Cabinet Member for Health and Adult Services, introduced the report and also introduced Christabel Shawcross, the

new Chair of the Tower Hamlets Adults Safeguarding Board. Christabel then addressed Cabinet to give them an update on the Board's work over the previous year and their plans for the future.

She highlighted that a key activity of the Board at the moment was strengthening the links between partner organisations so that they worked better together and an important role for the Chair was in challenging all partners to improve their performance.

Particular issues that were being tackled at the moment ranged across a wide range of areas but examples included:

- Improving the life chances of adults with learning difficulties including tackling safeguarding issues and reducing the number of early deaths.
- Promoting awareness amongst less visible groups on counteracting abuse, domestic violence, neglect and similar.
- How to make vulnerable adults more aware of how they could prevent problems for themselves.
- A better understanding of referral patterns.

The **Mayor** thanked Christine Shawcross for her presentation he highlighted how important it was to improve accountability to vulnerable adults.

Councillor Amy Whitelock Gibbs also thanked Christabel Shawcross and also Brian Parrot who had been Chair the previous year. She assured the Mayor that she met regularly with the Chair and others in relation to the work of the Board and that there was lots of work that could be built on. She noted the need to improve involvement from users and the public.

The **Mayor agreed** the recommendation as set out in the report.

RESOLVED

1. To note the annual report for the local Safeguarding Adults Board for 2015/16.

5.3 Housing Strategy 2016 - 2021

Councillor Sirajul Islam, Statutory Deputy Mayor and Cabinet Member for Housing Management and Performance, introduced the report. He highlighted the consultation exercises that had taken place including with the Housing Scrutiny Sub-Committee. He noted the four themes of the strategy including:

- Delivering more affordable housing, growth and regeneration
- Meeting people's housing needs
- Raising private rented sector standards
- Effective partnership working

He also noted how the strategy linked to other policies for example around homelessness. Finally, he explained that the Strategy would be presented to Full Council for final approval although the date of the Council meeting was likely to change and so it would not be on 23 November 2016 as listed in the report.

The **Mayor** welcomed the report, noted the consultation that had taken place with the community and commended the Strategy to Council for approval.

RESOLVED

1. To approve the draft Housing Strategy and attached appendices for consideration by the next Full Council meeting.

5.4 Common Housing Register Allocation Scheme

Councillor Sirajul Islam, Statutory Deputy Mayor and Cabinet Member for Housing Management and Performance, introduced the report. He explained that the report was proposing some minor changes to the housing scheme in order to more effectively meet local needs.

The **Mayor** thanked officers for the work they had undertaken on the report. However he raised a concern about Recommendation Four on quotas for Band Three. Whilst he understood the reasons being put for the change he was concerned to make sure that this was the best option in the circumstances and so deferred that recommendation for further consideration. Subject to that change he **agreed** the recommendations as set out in the report.

RESOLVED

1. To note the changes to the Allocations Scheme regarding the new Right to Move for employment reasons as required by changes in government regulations.
2. To agree to a new sub band in Band 2 of the Allocations Scheme to avoid the risk of legal challenge to present policy on applicants in housing need who do not meet the 3 year residence requirement.
3. To agree to restrict existing policy that allows applicants to bid for 1 bed smaller than their assessed bedroom need and allow room sharing only where children of opposite sexes are both under 10 years old.
4. To defer agreement to amend the quota for Band 3 lets from 10% of one, two and three bed properties to 5% of 1 bed & studios per annum to allow further consideration.
5. To authorise the use of some social housing general needs stock as non – secure tenancies for temporary accommodation up to a maximum of 100 units per annum.

6. To agree the Lettings Plan for 2016/17 and extend it to 2017/18.
7. To agree to add social worker to the professions that qualify for key workers status set out in the Allocations scheme.
8. Re-instate power to discharge the housing duty by making a Private Rental Sector Offer.

5.5 Our Borough, Our Plan: A New Local Plan Consultation Document (Regulation 18)

Councillor Rachel Blake, Cabinet Member for Strategic Development, introduced the report proposing that the draft Local Plan be put out to public consultation. She thanked officers for their work to date. Turning to the draft plan she highlighted particular areas such as the Town Centre policies, the challenge of providing genuinely affordable homes, providing infrastructure for growth and estate regeneration.

During discussion it was noted that there was a good emphasis on health and positive work around sheltered housing and provision of green space. It was also confirmed that information in relation to tall building zones and the tall building strategy would be released with the consultation.

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

RESOLVED

1. To approve the publication of the *Tower Hamlets Draft Local Plan 2031: Managing Growth and Sharing Benefits* (Appendix 1 to the report) for public consultation from 11 November 2016 to 2 January 2017;
2. To approve the publication of the final *Tower Hamlets Draft Local Plan 2031: Integrated Impact Assessment (IIA)* and other supplementary information, including draft evidence base studies (as Table 1 in the report) on the Council's website alongside the *Tower Hamlets Draft Local Plan 2031: Managing the Growth and Sharing the Benefits*.
3. To approve amendments to the documents in advance of public consultation, to be made through the delegated authority of the Corporate Director for Development and Renewal in consultation with the Mayor.
4. To note for information that an update to the Statement of Community Involvement (SCI) will be published for public consultation from 11 November 2016 to 2 January 2017, to run alongside consultation on the Draft Local Plan. Following consultation the SCI will be amended and will return to Cabinet in 2017 for decision for approval.

5.6 Community Buildings Report

Councillor David Edgar, Cabinet Member for Resources, introduced the report. He explained that the report had been developed over a significant period of time and that it was important to move towards a more consistent basis for letting buildings. The report was also aiming to increase appropriate usage of the buildings available and to improve their condition where possible. He also highlighted the planned Community Hubs that could support larger numbers of groups and should prove cheaper than the current situation in a number of places.

The report set out how community rents would work and proposed peppercorn rents for recognised Tenant and Resident Associations. He thanked the Tower Hamlets Council for Voluntary Services for their hard work supporting the review.

A number of presentations were received in relation to the report. Issues noted included:

- Continued community engagement was really important.
- A desire not to close buildings that were underused but to find ways of increasing usage.
- Ensuring lease terms were fair and opening hours at buildings did not restrict provision of services.
- Whether smaller organisations had the resources to engage solicitors for legal negotiations.
- Concern on the impact on some organisations of increased rental payments.
- How the offer compared to that available to commercial organisations.

In response, the meeting noted a number of points including that:

- Discussions would take place in relation to each building and local circumstances would be considered.
- Discussions about lease terms could continue although the Commissioners would also have a view on appropriate arrangements.
- Officers would look to ensure that nurseries could still operate to the hours required and they would look at how external maintenance costs would be met at buildings.

The **Mayor agreed** the recommendations set out in the report.

RESOLVED

2. To agree that a network of community hub buildings be established throughout the borough;
3. To agree the key terms for leases as set out in paragraph 5.3 of the report;

4. To agree that where community groups are to remain in existing accommodation, that this occupation will be on the basis of a formal lease with a community rent;
5. To agree that in some cases, THH-recognised TRAs, who can demonstrate intensive use of the property, may be issued with a lease based on a peppercorn rent for their TRA activities;
6. To agree the community benefit rent reduction policy, which affords eligible organisations a subsidy of 80% of their market rent, as set out in section 13;
7. To agree the proposed criteria, independent assessment tools and process and the monitoring and reporting arrangements for the community benefit rent reduction policy as set out in paragraphs 13.8 to 13.24;
8. To agree the proposed plan and approach for implementing the community benefit rent reduction policy, working with THCVS to support the voluntary and community sector organisations; and
9. To note that the additional capital and revenue resourcing required for the delivery of the community buildings policy will be considered as part of the council's Medium Term Financial Strategy.

5.7 Somali Task Force

Councillor Amy Whitelock Gibbs, Cabinet Member for Health and Adult Services, introduced the report and then introduced Councillor Amina Ali who had been the Vice-Chair of the Somali Task Force.

Councillor Amina Ali welcomed the report and the opportunity to present the Task Force's conclusions to Cabinet. She highlighted the many inequalities in the Somali community for example around education and employment. She reported that the community had engaged well with the investigation and the report reflects the views submitted.

During discussion Cabinet Members welcomed the report, thanked Councillor Sirajul Islam for Chairing the Task Force and Councillor Amina Ali for supporting the group as Vice-Chair.

The **Mayor** welcomed the report as long overdue. He highlighted that it was important that the report was seen as a live document that would react to new information and situations as they arose. He thanked officers and all the Members of the Task Force and he **agreed** the recommendations as set out.

RESOLVED

1. To agree the Task Group's report.

2. To agree draft Action Plan, including additional budget requirements to be considered as part of the Medium Term Financial Plan.
3. To agree the monitoring arrangements as set out in paragraph 3.19 of the report.

5.8 Fish Island CPZ Review and Recommendations

The **Mayor** introduced the report. He noted the results on the consultation which indicated residents were in favour of the proposals. He then **agreed** the recommendations as set out in the report.

RESOLVED

1. To note the Council's published proposal to make an Order under sections 6 and 45 of the Road Traffic Regulation Act 1984 in relation to Fish Island Controlled Parking Zone (CPZ) experimental Order. The current Fish Island CPZ operational hours are currently Monday to Saturday 8.30am to 7.30pm.
2. To note the objections received in response to the Notice set out and the responses to the consultation exercises set out in this report.
3. To review and consult on an additional requirement for controls being Monday to Friday 8:30am – 9pm, Saturday – Sunday 11am – 9pm. To ensure full protection from the new London Stadium.

6. ANY OTHER UNRESTRICTED BUSINESS CONSIDERED TO BE URGENT

Nil items.

7. EXCLUSION OF THE PRESS AND PUBLIC

Nil items.

8. EXEMPT / CONFIDENTIAL MINUTES

Nil items.

9. OVERVIEW & SCRUTINY COMMITTEE

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

Nil items.

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

Nil items.


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

Nil items.

The meeting ended at 7.10 p.m.

MAYOR JOHN BIGGS

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Cabinet	
Report of: Zena Cooke – Corporate Director of Resources	Classification: Unrestricted
Corporate Budget Monitoring Report Period 6 (September) 2016-17	

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

Executive Summary

This report details the projected outturn position of the Council at the end of Period 6 (July) 2016-17. The report includes details of:-

- General Fund Revenue and Housing Revenue Account;
- General Fund and HRA Capital Programme
- Key Balance Sheet information at end of September 2016

The Council’s Medium Term Financial Strategy (MTFS) covering the period to 2019-20 was approved in February 2016. Government and grant funding is forecast to continue to fall, reflecting the on-going government austerity measures. The current projections suggest that the unfunded budget gap will be approximately £58m for the period to the end of 2019-20.

In the light of this it is important that strong financial management is maintained including remaining within the approved budget, and developing and implementing approved saving proposals in accordance with the relevant timescales in order to avoid unplanned budget overspends occurring.

2015-16 Outturn Position

The 2015-16 outturn position showed an underspend of £12.1m which meant that, rather than the projected £7.8m drawdown from General Fund balances a contribution of £0.6m could be made. Usable Earmarked Reserves were also increased by £3.6m.

This puts the Council in a strong position to deliver against its MTFS target, however there are still risks inherent in some services for example Children's Services overspent by £4.7m before the application of reserves and, across the Council, further service savings of £17m are approved for delivery in 2016-17 - £11.1m of which are in Children's and Adults' Services.

Revenue Budget Position 2016-17

The Council's 2016-17 revenue budget was also agreed in February 2016 and set at £297.6m. This assumed a net service cost of £361.9m against which the authority can expect to receive £338.6m via Central Government funding, Council tax, retained Business rates and core grants.

The resulting funding gap of £23.4m is proposed to be funded from the General Fund Balance and is in large part intended to support expenditure or provision for expenditure on the new Civic Centre.

At the end of Period 6 (September 2016), the Council's projected outturn position against the following components is:

- A General Fund revenue overspend of £1.5m (set out in Table1), after the application of agreed reserves and subject to all growth and inflation bids being evidenced and approved.
- A Housing Revenue Account surplus of £11.2m.

Proposed service management action is set out within the detailed explanations in this report.

Capital Programme 2016-17

The revised Capital Programme for 2016-17 is set at £170.4m of which £25.454m has been spent, this equates to 15%. Latest projections are anticipating a variance of £63.131m.

Recommendations:

The Mayor in Cabinet is recommended to:

- Note the Council's revenue and capital financial forecast outturn position as detailed in Sections 3 to 7.
- Note the Balance Sheet information in section 8.
- Approve the proposed approach to addressing the shortfall against savings previously approved in relation to by children's services totaling £966K which cannot now be achieved.

1. REASONS FOR THE DECISIONS

- 1.1. The regular reporting of Revenue and Capital Budget Monitoring information provides detailed financial information to members, senior officers and other interested parties on the financial performance of the council. It sets out the key variances being reported by budget holders and the management action being implemented to address the identified issues.
- 1.2. Set alongside relevant performance information it also informs decision making to ensure that members' priorities are delivered within the agreed budget provision
- 1.3. It is important that issues are addressed to remain within the approved budget provision or where they cannot be contained by individual service management action, alternative proposals are developed and solutions proposed which address the financial impact; Members have a key role in approving such actions as they represent changes to the budget originally set and approved by them.

2. ALTERNATIVE OPTIONS

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

3. DETAILS OF REPORT

3.1. General Fund Revenue

- 3.1.1. At the end of September 2016 service projections show a net General Fund revenue overspend of £2.5m prior to approved reserve movements. This position is based on budget managers projections at the end of September and could be considered conservative given the outturn position achieved in 2015-16. However,

achieving the 2016-17 savings of c £17m are a key component of successfully managing the budget and there are indications in most service areas of potential slippage against those proposals. It is important that managers continue to work rigorously to deliver these savings and also to manage any in-year pressures being seen

3.1.2. There are however particular pressures and concerns within both Adults' and Children's Services social care provision as a result of the non-delivery of savings approved in previous years as well as current pressures around the provision of social care packages. In addition there remain pressures against the Public Health Service which is supported by the Public Health Grant.

3.1.3. The approved use of General Fund Balances in the budget of £23.4m includes a contribution of £20m towards the acquisition and refurbishment of the new Civic Centre in Whitechapel, together with the balance of £3.4m being provided for general support to the budget.

3.2. Housing Revenue Account (HRA)

3.2.1. The provisional HRA outturn is expected to show a £11.20m surplus. This sum is ring-fenced and will be added to the existing HRA Reserve of £32.1m as it cannot be used for other purposes. Full details can be found in section 5 of this report.

3.3. Capital Programme

3.3.1 Directorates have spent 15% of their capital budgets for the year (£25.5m against budgets of £170.4m). Further information is provided in section 7 of the report.

4. FINANCE OVERVIEW

4.1. Table 1 below summarises the forecast revenue outturn position for the General Fund for 2016-17.

SUMMARY	Revised Budget	Budget to date	Actual	Forecast	Variance (Before Adjustment)	Growth and Inflation requested*	Other Adjustments	Variance after Approved Adjustments
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Law, Probity and Governance (5.1)	9,367	4,684	3,298	9,867	500			500
Communities, Localities and Culture (5.2 -5.11)	72,669	21,507	22,571	75,027	2,358	-2,125	-170	63
Development and Renewal (5.29-5.34)	14,899	7,449	7,661	15,175	276			276
Adults' Services (5.23-5.28)	124,800	62,400	56,456	132,161	7,361	-3,358	-850	3,153
Children's Services (5.12-5.22)	90,932	45,466	47,530	99,155	8,223	-966		7,267
Resources (5.35)	8,104	4,052	34,921	8,104	-			-
Corporate Costs / Capital Financing (5.35-5.37)	41,215	20,607	3,804	25,015	- 16,200	6,449		- 9,751
Directorate Total	361,986	166,165	176,241	364,504	2,518	-	-1,020	1,498
Use of General Fund	- 23,410		-	-23,410	-			-
Total	338,576	166,165	176,241	341,094	2,518	-	-1,020	1,498

* Growth and inflation are held centrally and are only allocated to the base budget when fully materialised and evidenced. On receipt of the fully authorised supporting evidence a 'target adjustment' will be made by Corporate Finance and will be shown in the revised budget / budget to date column of this table.

4.2. The Council is facing a number of significant challenges, and the strategic use of reserves is an important component of supporting the successful delivery of a balanced Medium Term Financial Strategy (MTFS).

4.3. As previously reported, the Director of Resources has undertaken a review of existing reserves with the Lead Member for Resources and, taking into account the purpose for which they were originally created, there is scope for rationalising a number of these reserves and ensuring that they are targeted at supporting the Council's strategic priorities i.e. providing the investment and support necessary to deliver the MTFS savings.

- 4.4. In order to support the MTFS the Director of Resources has already proposed the consolidation of a number of corporately held reserves previously created to facilitate saving programmes and change and these have been brought together into a single transformation reserve.

5. Directorate Summary position

Law, Probity and Governance (£500k Overspend)

- 5.1 As at Month 6 the directorate is forecasting a £500k overspend pressure.

Following introduction of the Our East End publication and the new Communications Strategy, there is a budget pressure of approximately £500k within the service. Funding of this is to be agreed for 2016-17 and a growth bid has been submitted via the MTFS for future years and this is being considered by the Director of Resources.

Communities, Localities and Culture (£2.358 Overspend)

- 5.2 The Directorate are reporting an outturn of £75.027m at September. This delivers an outturn variance of £2.358m before adjustments. The adjustments required to bring the budget back in line are shown in the Table below.

Adjustments		£ 000's
Indexation drawdown		990
Growth	Waste Disposal	465
Mayors Priorities	Street Cleansing	520
	Anti- Social Behaviour – (see para. 5.12)	150
Corporate Reserves	Mela 2016 – (see para.5.10)	170
Total Adjustments to be made		2,295

- 5.3 In addition a surplus delivered in the Parking account in 2015-16 for parking efficiencies is expected to continue. This will increase the surplus contribution to the General Fund from £8.6m to £9.1m that supports highways and transportation related spend in the budget. This will provide additional savings to MTFS in 2016-17 and future years.
- 5.4 The directorate continues to identify a number of risks in delivering the savings programme. Management action is now in place to retrieve the position where possible and move the programme forward. The pressures are noted in the following paragraphs.
- 5.5 The proposed Animal Warden Service model working in partnership with the LB Hackney is expected to be operative from the last quarter of the financial year. This leaves an unmet balance in the current year of £120k which can be met from salary underspends across the service.

- 5.6 The renegotiation of the Leisure contract will result in a savings of up to £1.24m. There remains the expectation that the savings opportunity can be achieved. This will rely on the successful re-negotiation of the GLL contract which is currently in progress and should be agreed over the next few months.
- 5.7 The savings target associated with the deletion of 10 Commercial Waste THEO posts of £451k will not be realised in this financial year. This is due to a further review of enforcement functions being carried out across the directorate.
- 5.8 The School Crossing Patrol savings anticipated funding the service through the Dedicated Schools Grant (DSG). The DSG does not provide for the funding of the service, as the service is not offered to all schools. The saving of £89k is still to be progressed with a different approach. Each of the individual schools that currently receive the service will be asked to enter into a Service Level Agreement for the continuation of the service. There is the risk that schools may not sign up to the SLA which would then have an impact on the staffing resources.
- 5.9 Following the decision to run the Mela festival inhouse at a cost of £286k funding was identified of £87k from sponsorship and commercial income, and £29k from the Arts and Events budget. This leaves a balance of £170k that will be met from general fund reserves.
- 5.10 Based on current activity levels for Tier 4 DAAT treatment an underspend of £200k is anticipated. This will result in a reduction in the drawdown of the Public Health grant allocation for the current year. The service will continue to review the level of demand for future additional cases.
- 5.11 The additional growth of £480k to deal with Anti-Social Behaviour enforcement (ASB) is now part of the review of ASB currently being undertaken. £380k was identified to fund additional THEO's which will not be in place in this financial year. Therefore for the current year the sum of £50k has been identified to fund the consultant costs as part of the review. The remaining funding of £100k will support the CCTV infrastructure upgrade and will need to be drawn down in 2016-17.

Children's Services (£8.2m overspend)

- 5.12 The directorate is currently reporting a £8.2m overspend position at the end of Period 6. Currently there is a 2016-17 directorate savings target of £5.7m; those elements which relate to Social Care are considered to be partly at risk given current year pressures in that area. However, there also remains a further £0.9m relating to undelivered savings against 2015-16 proposals against which there are significant concerns; this issue is considered further below.

- 5.13 There are also increasing levels of demand for SEN (Special Educational Needs) services in the Borough. There has been a significant increase in the numbers of children and young people assessed as having special educational needs in the Borough. Changes in the demographic make-up of the Borough are also leading to impacts in both the size and nature of the demand. This additional demand is having a significant impact on budgets, with an estimated £1.2m overspend for 2016-17.
- 5.14 An independent review has been commissioned of the SEN service with the objective of providing a costed set of recommendations to identify the underlying demand and proposed solutions.
- 5.15 Within Children's Social Care (CSC) the current forecast overspend stands at £4.9m. The main driving forces for this overspend are the pressures around Looked after Children numbers (in particular complex needs cases) and the resultant need to maintain full staffing levels. This has required the use of more expensive agency staff and has led to an inability to meet the vacancy factor within the service area budgets.
- 5.16 The service re-design group, led by the CSC Service Head, has been undertaking a wholesale review of the CSC service area, looking at ways to maintain effective service provisions alongside actions for bringing the current budget variances back into line.
- 5.17 The Contract Services trading account continues to have the same pressures that were seen in 2015-16, which resulted in an overall £1.3m overspend. Current profiles suggest that 2016-17 will be no different, with a similar level of overspend being projected. Strategies are needed which will equalise the disparity between increasing expenditure and static income streams. A service review has started, with the findings expected shortly. However this is unlikely to be in time to materially affect the 16-17 figures.
- 5.18 The Youth Service has recently transferred to the Children's Service. Following a significant underspend in 2015-16 the service has moved to deliver an interim service offer pending the development of a sustainable service offer for the future. The interim service offer and the on-going service redesign are expected to contribute to the overall Council's savings programme and it is expected that there will be a smaller underspend (c£200k) in 2016-17 that was seen in 2015-16.
- 5.19 The Children's services directorate brought forward undelivered savings of £966k into the current year 2016-17.
- 5.20 A significant proportion of these savings relate to proposals in Children's Social Care - The Leaving Care Service and Looked After Children. After review by the Director it has been concluded that savings in these areas are not achievable without increasing the risk of service non delivery to vulnerable groups and potentially breaching the councils statutory duties.
- 5.21 Further savings were also identified through an administration review, but these have not been progressed; the council is now undertaking a wider examination of all its support service processes as part of the 2017 MTFS and that review will consider support services across the Council.

5.22 As a result the Director has asked that non-delivery of these savings are instead met from the central contingency budget.

Adults' Services (£7.4m overspend)

5.23 The directorate is currently reporting a £7.361m overspend position at the end of Period 6, before the use of reserves and contingencies. The original budget has increased by £1.650m, of this pay accounts for 171k and the balance (£1.479m) relates to the increase in the Adults' Social Care (ASC) 2% precept. The directorate expects to be able to evidence and therefore drawdown from the contingencies for growth and inflation (£3.358m). Use of the remaining Public Health ring-fenced reserve (£0.850m) is also proposed to reduce the overspend to £3.153m.

5.24 Currently there is a 2016-17 directorate savings target of £5.762m. We are expecting delivery of £3.391m of the savings in 2016-17 with the remainder slipping into 2017-18. This is because of the late start on savings projects in the current financial year. The balance of savings that will not be achieved is £2.4m and includes :

Joint Funding NHS Packages with NHS	£1.000m
Reablement of Social Care Users	£.0400m
Sharing Services with NHS Partners	£0.435m
Charging for Social Care Services	£0.540m

5.25 The Adult Social Care Service is currently reporting an overspend of £3.863m mostly within the costs of client services. The budget pressure since the start of the year has remained almost static. This has been achieved by delivering efficiencies through the review of client service needs and costs. The increase in client numbers is at a steady rate and in line with the growth forecasts at the start of the year. The client area that has seen most of the increase is within Physical Disabilities, with the rest experiencing a relatively smaller increase. The directorate has implemented a person centred assessment and resource allocation model which is hoped will help to mitigate part of the budget pressure. The directorate is facing increased inflationary pressures from service providers and a review of current contracts is under way and evidence to support a drawdown from the inflation contingency is expected.

5.26 The Commissioning and Health budget is currently reporting an underspend of £0.308m which is mostly due to staffing underspends. Given the nature of this budget, covering mostly staffing and block contracts, the final budget position is not expected to change significantly. The directorate is planning a review of a number of services with the aim of implementing more efficient and effective delivery models.

5.27 The Public Health Service has identified a net overspend of £2.957m (after use of the £0.850m ring-fenced reserve) which reflects the gap between savings agreed, increased demand on the 'free infant school meals' scheme and the effects of the central government grant reduction. The remaining Public Health reserve is now fully utilised and the service has presented a recovery plan to its DMT with a range of measures intended to minimise any potential overspend in this area.

5.28 The current forecast on the directorate's budget is compiled on a prudent basis. As a demand led service, the forecast is subject to future risks and opportunities. Whilst these are not factored into the current forecast, the Service records and monitors a schedule of possible risks and opportunities which aims to inform future forecasts. Unachievable savings, unknown demand and new income from Health are some of the areas which are currently under consideration. A zero based budget review is ongoing which is tracking the demand changes due to the newly implemented resource allocation model. This combined with a number of budget and activity reports which have recently been put in place are helping to validate the forward projections of spend in line with savings targets. The service is also considering how additional savings can be made to mitigate the current projected overspend.

Development and Regeneration (276k overspend)

5.29 The directorate is currently reporting a slight overspend position of £276k. Specific areas where variances are expected or risks are anticipated are included below.

5.30 Capital Development resources of £523k were set aside for 2016-17 to fund a planned maintenance programme in respect of the Council's building assets. These resources are held corporately and will be released at the end of the financial year to reflect expenditure incurred. The forecast assumes that full expenditure is incurred.

5.31 Administrative Buildings – Overspend 140K. The budget includes a growth bid of £140k for security costs at the Royal London Hospital site that was approved as part of the 2016-17 budget process. This is currently held in reserves and will be released at the end of the financial year when the final expenditure position is known.

5.32 Homelessness – Overspend 82k. This is a demand led service. Due to the current housing market and economic climate there has been a persistent stream of homeless applications and acceptances, with an acute shortage of properties available to place clients. The increase in Temporary Accommodations (B&Bs and Nightly Lets and NSTs) spend is however offset by additional income.

5.33 Planning income – Underspend £319K. This budget is driven by local development and income can vary significantly between financial years. It is anticipated that fee income in 2016-17 will be higher than anticipated, resulting in a net surplus on the service budget. This coincides with the second year of the council's Community Infrastructure Levy (implemented in April 2015) which includes an element to cover the costs of administering the scheme. Current projections are that fee income will exceed the budget including allowing for a reduction in fees over the winter months. There is however a risk in relation to future income levels due to market uncertainties following the decision for the UK to leave the European Union.

Resources (Balanced)

5.34 As at Month 6 this directorate is forecasting a balanced budget position. However, an overspend in excess of £200k is currently forecast within the Customer Access budget as a consequence of THH withdrawing services from SLA arrangements. This is expected to be managed within directorate resources on a temporary basis until the longer term implications are resolved as part of the wider review of the customer access strategy across the Council

Corporate Costs & Capital Financing (Budget provision of £16.2m available)

5.35 Corporate cost budgets comprise provisions for unforeseen events (contingencies) and Council wide budgets for growth and inflation approved at the time of the MTFs and totalling some £13.1m. A number of service based pressures may form legitimate calls against the growth budget at which time the appropriate budget transfer will be made to reduce the service overspend position. However, currently these are being held and reflected centrally.

5.36 Currently the contingency budget (£3.1m) will be used to offset those service pressures highlighted above although the Director of Resources has made it clear that she expects services to have fully considered management action to contain pressures. Corporate provision specifically to manage the risk associated with the slippage against approved savings can also be applied where it is clear that unavoidable delays are being experienced.

5.37 Given the level of underspending against the Capital Programme for both the general fund and the HRA it is estimated that the need for borrowing in 2016-17 is much lower than expected and this will lead to an underspend against the corporate capital financing budgets.

6. Housing Revenue Account (HRA)

6.1 The overall projected HRA underspend of £11.2m is due to two main variances; the first is that the 2016-17 HRA budget assumes that a levy of £8.4 million would be payable in relation to the Sale of Higher Value Void properties policy contained within the Housing and Planning Act 2016. At the moment it is not yet known when this levy will come into effect, what the size of the levy will be and whether the levy will be revenue or capital in nature. Therefore, it is now being assumed that there will be no cost against this budget in 2016-17.

6.2 In addition, the HRA budget assumes a Revenue Contribution to Capital (RCCO) of £2m. A decision will be made at the end of the financial year about how best to finance the HRA capital programme, at which point it may be considered appropriate for the HRA to use other resources. Given that the current projected HRA capital expenditure is showing an £18m variance, the forecast assumes that no RCCO will take place.

6.3 As well as these two main areas there are some small variances forecast, the principal ones being that non-dwelling rental income (from shops) is projected to be higher than budget, and it is currently forecast that there will be a small overspend on the repairs budget due to pressures arising, particularly in relation to communal repairs.

7 Capital

7.1 The capital budget for 2016-17 now totals £170.4m, decreased from the £200.3m reported to Cabinet in February 2016. The decrease is mainly due to re-profiling into 2017-18 of housing schemes relating to new housing supply which are at the pre-construction stage.

7.2 Total capital expenditure to the end of Quarter 2 represented 15% of the revised capital programme budget for 2016-17 as follows:

Spend to Date by Directorate	Annual Budget as at 30th Sep 2016	Spent to 30th Sep 2016	% Budget Spent
	£m	£m	%
Adults'	7.442	0.042	1%
Children's	18.119	6.475	36%
Communities, Localities & Culture	11.372	1.275	11%
Development & Renewal	9.430	0.919	10%
Housing Revenue Account	92.990	17.089	18%
Corporate	31.000	0.000	0%
GRAND TOTAL	170.353	25.800	15%

This compares with 23% at the same stage last year. Expenditure tends to be heavily profiled towards the latter half of the year as new schemes are under development at the start of the year.

7.3 Projected capital expenditure for the year compared to budget is as follows:

Projected Variances by Directorate	Annual Budget as at 30th Sep 2016	Projection to 31st Mar 2017	Forecast Variance
	£m	£m	£m
Adults'	7.442	6.985	- 0.457
Children's	18.119	16.073	-2.046
Communities, Localities & Culture	11.372	7.914	-3.458
Development & Renewal	9.430	4.003	-5.427
Housing Revenue Account	92.990	72.195	-20.795
Corporate	31.000	0.00	-31.000
GRAND TOTAL	170.353	107.170	-63.183

- **Corporate Budget Provision for Infrastructure Delivery (£30.0m)**

This relates to budget provision for allocations made under the Infrastructure Delivery Framework (IDF) Process. Amounts will be moved to Directorates as allocations are approved. Sessions have been scheduled to agree allocations in the year. It is

anticipated any amounts unspent in the current year will be rolled forward to 2017-18.

- **Tower Hamlets Homes Managed Housing Capital Programme (£15.8m)**
This budget incorporates the final year of the backlog Decent Homes programme together with the mainstream HRA investment programme for the existing dwelling stock. THH has undertaken a review of all capital works, including priority blocks, newly arising need and planned maintenance. These works, originally scheduled for 2016-17, will now be delivered across two years, 2016-17 and 2017-18 to enable a constructive and streamlined approach to section 20 consultations.
- **Blackwall Reach (£3.2m)**
The remaining spend on this scheme relates to the purchase of leasehold interests, and it is forecast that due to delays in acquiring all necessary properties, this scheme will slip into future years.
- **Parks (£3.0m)**
The Christ Church Gardens scheme is delayed due to ongoing legal issues. Bartlett Park scheme is held in abeyance awaiting final delivery programme which will be delivered in November. The majority of the schemes will now take place in 2017-18, and budgets will be re-profiled to reflect this.
- **Provision for 2 year olds (£1.8m)**
There has been a variety of reasons for delays in committing the funds within the 2 year old programme, resulting in expected slippage from 2016-17 into 2017-18.

In many of the projects in LBTH buildings lease issues have arisen, which has delayed implementation. There have also been issues around commissioning in other cases. These are being resolved and the level of spend should increase.

In non-LBTH building projects a number of problems have resulted in delays. In one case the contractor went into liquidation, in some the tenders came in above the budget estimates resulting in time redesigning the scheme to bring costs down, in others the providers changed the project they wish to do and one also failed planning applications.

- **New Housing Supply – Schemes On Site (£1.2m)**
This budget relates to new-build schemes that are currently on site (Watts Grove and the Extensions programme) or where work has finished and accounts are being finalised (Bradwell Street). It is forecast that the Extensions programme will underspend against the budget due to fewer extensions being completed than originally planned.

- **Private Sector Improvement Grants (£1.0m)**

This scheme has recently been re-staffed after a restructure. Resources are ring-fenced and any underspends will be carried forward to fund ongoing commitments and to maintain a grants programme in 2017-18.

- **229 Bethnal Green Road (£1.0m)**

Asset management are continuing negotiations with Tower Hamlets College; a final sum is yet to be agreed. Given the necessary steps required before payment can be made, it is not anticipated that expenditure will be incurred in this financial year, and therefore the unspent amount should be carried forward to 2017-18.

7.5 Capital receipts received in 2016-17 from the sale of Housing and General Fund assets as at 30th September 2016 are as follows:

	£m	£m
Dwellings Sold under Right to Buy (RTB)		
Receipts from RTB sales (80 properties)	23.586	
Less poolable amount paid to DCLG	-0.878	
		22.708
Sale of Other Housing Revenue Account (HRA) assets		
Preserved Right to Buy receipts	0.361	
11-31 Toynbee St and 67-69 Commercial St	8.000	
32-34 Hessel Street	0.027	
		8.388
Sale of General Fund Assets		
2 Jubilee Street	4.050	
Limehouse Library – Deed of Variation	0.033	
		4.083
Total		35.179

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

8 **Balance Sheet Information**

8.1 The following information relating to the Council's balance sheet assets and liabilities is intended to give Members further information relating to the overall position of the Council's finances.

Debtors (assets)

8.2 Debtors are individuals, organisations and companies that owe the Council for goods and services. In year debtors are usually lower as a number of debtors are raised at year end to recover income from other government bodies.

	31 March 2016	30 Sept 2016	
Debtors	£m	£m	
- Council Tax Debtors*	16.5	14.1	
- NNDR Debtors*	14.6	14.2	Some backdated bills raised in 2016-17
- Other Debtors	66.2	37.5	Year-end debtor invoices paid in early 2016-17
Total Debtors	97.3	65.8	

* only debt pre 31-03-16 show

Creditors (liability)

8.3 Creditors are individuals, organisations and companies that the Council owes for goods and services.

	31 March 2016	30 Sept 2016	
	£m	£m	
Total Creditors	201.8	98.5	Most year-end accruals paid in early 2016-17

Reserves

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

	31 March 2016	31 March 2017 (forecast)	
Usable Revenue Reserves	£m	£m	
- General Fund	72.1	48.7	
- Housing Revenue Account	32.1	43.3	Ring-fenced
- Schools	31.8	31.8	
- Earmarked Reserves	122.0	138.0	Includes new £20m reserve for Civic Centre
- Capital Receipts unapplied	86.3	95.0	RTB receipts increased. Spend of receipts monitored to maximise usage and avoid penalty interest
- Capital Grants unapplied	56.2	56.2	
- Major Repairs Reserve (HRA)	9.2	9.2	
Total Reserves	409.7	422.2	

Business Rates

- 8.5 The second quarter of 2016-17 has seen the rateable value plateau as assessments are removed from the local list to make way for new developments. The rateable value will increase on completion of these developments and everything will be done to ensure completion notices are served promptly, but this may be some way off. Gross rates receivable remain on target for the year and collection is ahead of target at 56.88% (Target 50%) however this will be closely monitored over the second half of the year and any concerns reported if necessary.
- 8.6 A review of reliefs continues has seen a drop in the cost of awarding the relief of over £2m, but it is anticipated that this will increase again as the review comes to an end. It is however anticipated that the cost of charitable relief and Section44a (Partly Occupied Relief) will continue to be lower than at the start of the year.

Council Tax

- 8.7 In 2016-17 the total budgeted yield from the Council Tax base is £99,928,720, of which the Council retains £76,885,062 (76.9%). This calculation is based on a tax base of 83,493 chargeable properties. As at 30th September, the tax base has risen to 86,079, so at this stage is ahead of the projected end of year position, although students exemptions will increase again and the Taxbase is likely to drop.
- 8.8 The budgeted collection rate is slightly ahead of target at 50.69% (Target 50%) for the first 6 months of 2016, but with the growth achieved in September, the second half of the year will see a rise in income collected as instalments become due for new assessments and revised bills being sent out as part of the SPD and student review.

9 APPROVED SAVINGS PROGRAMME

- 9.1 A total saving of £20.458m needs to be delivered in 2016-17. £17.423m of this relates to new savings projects agreed as part of the 2016-17 budget setting process. The balance represents historic savings (£3.035m), mainly within Adults' Services and Children's Services, which have previously been covered off through one-off measures but require permanent sustainable plans.
- 9.2 £4.541m of the £20.458m has been achieved within 2016-17, and a further £10.55m is anticipated to be delivered by the end of the year although this carries a low risk of slipping into the following year.
- 9.3 The table below summarises the current savings position by directorate, this is further analysed by the current RAG status of the savings.

Green – Forecast Savings Delivered

Amber - Low Level of Risk & and potential for slippage

Red - High level of Risk and unlikely to be delivered

Grey - 2016-17 Slippage expected to be fully delivered in 2017-18

Black - No delivery plan or decision required

Table 2 – Total 2016-17 savings

Directorate	Total Savings 2016/17 £'000	Forecast Savings 2016/17 RAG Green £'000	Forecast Savings 2016/17 RAG Amber £'000	Forecast Savings 2016/17 RAG Red £'000	Slippage 2016/17 £'000	Variance (Total Non Delivery) 2016/17 £'000
Adults' Services	6,931	221	3,381	-	2,736	593
Children's Services	6,673	506	4,368	-	833	966
Communities, Localities and Culture	4,833	2,324	2,509	-	-	-
Development and Renewal	979	605	213	-	161	-
Law, Probity and Governance	339	260	79	-	-	-
Resources	703	625	-	-	78	-
Total	20,458	4,541	10,550	-	3,808	1,559

10 COMMENTS OF THE CHIEF FINANCE OFFICER

- 10.1 This report is primarily financial in nature and therefore financial comments are included throughout; there are no additional comments to make.

11 LEGAL COMMENTS

- 11.1 The report provides financial performance information. It is consistent with good administration for the Council to consider monitoring information in relation to plans and budgets that it has adopted.

11.2 Section 3 of the Local Government Act 1999 requires the Council as a best value authority to “make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness”. Monitoring of financial and other performance information is an important way in which that obligation can be fulfilled.

11.3 The Council is required by section 151 of the Local Government Act 1972 to make arrangements for the proper administration of its financial affairs. The Council’s chief finance officer has established financial procedures to ensure the Council’s proper financial administration. These include procedures for budgetary control. It is consistent with these arrangements for Members to receive information about the revenue and capital budgets as set out in the report.

12 ONE TOWER HAMLETS CONSIDERATIONS

12.1 The budget monitoring report assists in reviewing the financial performance of the Council. It ensures that financial resources are applied to deliver services meeting the needs of the diverse communities living in Tower Hamlets and supporting delivery of One Tower Hamlets.

13 BEST VALUE (BV) IMPLICATIONS

13.1 The Council’s achievement of the principles of Best Value are assessed annually as part of the final audit of the Council’s financial statements by the Council’s external auditors KPMG.

14 SUSTAINABLE ACTION FOR A GREENER ENVIRONMENT

14.1 There are no specific actions for a greener environment implications

15 RISK MANAGEMENT IMPLICATIONS

15.1 There is a risk to the integrity of the authority’s finances if an imbalance occurs between resources and needs. This is mitigated by regular monitoring and, where appropriate, corrective action. This report provides a corporate overview to supplement more frequent monitoring that takes place at detailed level. The explanations provided by the Directorates for the budget variances also contain analyses of risk factors.

16 CRIME AND DISORDER REDUCTION IMPLICATIONS

16.1 There are no specific crime and disorder reduction implications.

Linked Reports, Appendices and Background Documents


Linked Report

- NONE.

Appendices

None

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<p>Cabinet</p> <p>December 2016</p>	 <p>TOWER HAMLETS</p>
<p>Report of: Debbie Jones</p>	<p>Classification: Unrestricted</p>
<p>Regional Adoption Agency</p>	

Lead Member	Racheal Saunders
Originating Officer(s)	Nasima Patel
Wards affected	All wards
Key Decision?	No
Community Plan Theme	A healthy and supportive community

Executive Summary

Following the publication of the DfE paper, *Regionalising Adoption* (June 2015), the Department invited councils and Voluntary Adoption Agencies to submit Expressions of Interest in becoming part of new regionalised arrangements. In response, the Association of London Directors of Children’s Services (ALDCS) submitted a London proposition, which was approved for development in ‘scope and define’ phase. Through the development of regional agencies, the DfE and ALDCS aspire to speed up matching, improve adoption support and achieve cost efficiencies.

A number of possible models for the London Regional Adoption Agency have been explored. ALDCS have recommended the creation of a new local authority owned entity operating in a hub and spoke approach. The model is expected to retain a strong local link. It is recognised that local knowledge and relationships will be essential.

LBTH Council will need to formally agree whether they wish to join the ALDCS Regional Adoption Arrangements, or seek other arrangements to join. The final detailed operational arrangements are expected to be developed by September 2017.

Recommendations:

The Mayor in Cabinet is recommended to:

Agree, in principle, to join a London Regional Adoption Agency, subject to detailed financial analysis and business case;

Authorise the Director of Children’s Services (or equivalent), after consultation with the lead Member Children’s Services, to progress arrangements relating to the development and implementation of the London Regional Adoption Agency model.

Support a local detailed stakeholder engagement to ensure that the strengths of the current service (culturally sensitive matching, focus on sibling group matching, recruitment of BME and other minority adopters) are not dissipated by the borough entering the new proposed arrangement.

1. REASONS FOR THE DECISIONS

- 1.1 Request by ALDCS (Association of London Directors For Children Services) to seek an in principle decision from every borough to check interest

2. ALTERNATIVE OPTIONS

- 2.1 A number of possible models for the London Regional Adoption Agency have been explored. ALDCS have recommended the creation of a new local authority owned entity operating in a hub and spoke approach. The model is expected to retain a strong local link. It is recognised that local knowledge and relationships will be essential.

3. DETAILS OF REPORT

See attached London Regional Adoption Agency Report

4. COMMENTS OF THE CHIEF FINANCE OFFICER

- 4.1 The Council can decide whether it wants to join the ALDCS Regional Adoption Arrangements, once the detailed financial analysis and business case are available to be reviewed.
- 4.2 It is hoped that the new arrangements will lead to efficiencies and better support for adoption services. However, whilst it is too early in the process to quantify this, it is not unreasonable to assume that a financial savings should be an aspiration from a consortia arrangement both from economies of scale perspective and through better management of the 'market'.
- 4.3 An initial assessment needs to be undertaken in order to consider whether it is appropriate to include a specific savings target within the developing MTFS.

5. LEGAL COMMENTS

- 5.1 The Council's core duties in respect of placing children for adoption, assessing and approving adopters and providing adoption support are set out in the Adoption and Children Act 2002, which placed the child at the centre of decision making. These are supported by the Adoption Agencies Regulations 2005 (as amended), and associated statutory guidance. The Children and

Families Act 2014 introduced a number of key changes in relation to adoption, including new provisions regarding fostering for adoption, post adoption contact, and attempts to streamline the adoption recruitment and matching process. Additionally, the upcoming Children and Social Work Bill purports to strengthen the emphasis on adoption within care proceedings, although the current draft appears to do little beyond clarifying existing provisions.

- 5.2 The government has recently empowered the secretary of state to require local authorities to make arrangements for their adoption functions to be carried out by a Regional Adoption Agency, if they have not voluntarily developed proposals to do so. Section 15 of the Education and Adoption Act 2016 amends the Adoption and Children Act 2002, so that local authorities are no longer required to maintain an adoption service within their area but may secure provision by other local authorities or registered adoption societies. Under the new section, the Secretary of State may direct one or more local authorities to make arrangements for all or any of their adoption functions to be carried out on their behalf by another local authority or adoption agency.
- 5.3 The Act repeals section 3A of the Adoption and Children Act 2002, which gave the Secretary of State the power to remove all local authorities from adopter recruitment and assessment en masse. In its place, section 3ZA gives the Secretary of State the power to direct individual local authorities to make arrangements for adoption functions to be carried out by another local authority or adoption agency on their behalf, through the formation of regional or sub-regional adoption agencies
- 5.4 The Council has an express power to delegate relevant care functions relating to children, by entering into arrangements with a body corporate for the discharge of some or all of the Council's relevant care functions (the "Express Power"), pursuant to section 1(1) of the Children and Young Persons Act 2008 (the 2008 Act) and pursuant to the Children and Young Persons Act 2008 (Relevant Care Functions) (England) Regulations 2014 (the 2014 Regulations) under section 1(6) of the 2008 Act. Section 2(2) of the 2002 Act excludes the Council's functions as an adoption agency from the Express Power, unless the other party to the arrangements is a registered adoption society (s3(4) of the 2002 Act).
- 5.5 The nature of the future arrangement between the Council and the arrangement ALDCS is uncertain at this stage. However, it is likely that the proper construction will be that the Council will be deemed to be purchasing services of some sort from the ALDCS.
- 5.6 Where the Council makes a purchase the Council has a duty to ensure that it complies with its Best Value Duty in accordance with Section 3 of the Local Government Act 1999. Usually it demonstrates the satisfaction of this duty by running a competitive exercise to show the best value available in the market place at that time.

- 5.7 The Council is required either by the application of the Public Contracts Regulations 2015 or the Concession Contracts Regulations 2016 to apply a competitive tendering process to its purchases of services. Also, where both sets of regulations do not apply to the purchase (usually due to the value being below the prescribed threshold) the Council must still comply with its general duties of fairness, openness and non-discrimination imparted by the Treaty For The Operation Of The European Union.
- 5.8 In any of the cases detailed under paragraph 5.7 the Council is generally speaking required to tender any purchase of services. Therefore, it would be generally in breach of the relevant Procurement law for the Council to elect to have services provided to it by one supplier without competition, notwithstanding the fact that the ALDCS would have been set up specifically for this purpose.
- 5.9 To some extent the delegation of the Council's functions in respect of the relevant areas of adoption overcomes this issue, provided it can be said that the ALDCS is acting independently of the Council. However, the outcome of this may well be considered to be undesirable from the Council's perspective given the fact that it is only part of the methodology by which the Council will be using to satisfy its own statutory obligations in respect of adoption generally.
- 5.10 However, the Public Contracts Regulations 2015 do prescribe where the Council may elect to have services provided to it by one particular organization. However, broadly speaking the Council must be able to exercise a similar level of control over the organisation as it would over one of its own departments. This used to be referred to as the Teckal exemption (named after the case) but is now enshrined in Regulation 12 when the Public Contracts Regulations were reissued in 2015.
- 5.11 This cannot be said to be the case in the proposed model as there are a number of authorities that will be "owners" of the resultant organization. However, the Regulations prescribe that the Council would be deemed to have that level of control where:
- 5.11.1 the Council exercises jointly with the other members a control over the set up organisation which is similar to that which they exercise over their own departments
 - 5.11.2 more than 80% of the activities of the set up organisation are carried out in the performance of tasks entrusted to it by the group members
 - 5.11.3 there is no direct private capital participation in the set up organisation
- 5.12 Also the Council will be said to be exercising joint control where:
- 5.12.1 the decision-making bodies of the set up organisation are composed of representatives of all participating member authorities

- 5.12.2 those member authorities are able to jointly exert decisive influence over the strategic objectives and significant decisions of the set up company and
- 5.12.3 the set up company does not pursue any interests which are contrary to those of the member authorities.
- 5.13 Therefore, it is key to the success of the project to the Council that the ALDCS is set up in a legally compliant way and has a governance structure that complies with this legislation. Otherwise the Council will not be able to purchase services from it without engaging in a competitive exercise.
- 5.14 The detail of the proposed structure given in the report indicates at this stage that the proposed structure will be compliant with regulation 12 and therefore, the Council would be able to purchase services directly from the ALDCS as it would do from one of its own departments. However, care will need to be taken to ensure that the final agreed structure continues to be compliant in order to ensure the success of the scheme.
- 5.15 Any changes in provision or services brought about by the move to a pan-London model should be considered in accordance with the public sector equalities duty under the Equalities Act 2010, which requires the Council when exercising its functions to have 'due regard' to the need to eliminate discrimination (both direct and indirect discrimination), harassment and victimisation and other conduct prohibited under the Act, and to advance equality of opportunity and foster good relations between those who share a 'protected characteristic' and those who do not share that protected characteristic. The Council should perform a proportionate equality analysis before determining its preferred procurement option and prior to any changes being made. It is likely that consultation with service users, service users' families and other stakeholders will need to take place in order to understand potential impacts of the changes.

6. ONE TOWER HAMLETS CONSIDERATIONS

- 6.1 Achieving permanency for Looked After Children is essential in ensuring the most vulnerable children are able to reach their potential. There is emerging research that in care experience is better for some children than remaining at home; however permanency (either through adoption or family arrangement) is the best mechanism for children to achieve good outcomes. Our current LAC profile generally represents the gender and ethnicity present in the wider communities. There is a small overrepresentation of mixed race children which is a national trend. A local policy research piece has been commissioned to explore this further.

7. BEST VALUE (BV) IMPLICATIONS

- 7.1 Best Value is expected to be created be made through the scaling of key adoption activity such as recruitment and assessment of adopters, speedier matching. This includes financial efficiencies as well as an enhanced

performance for local authority against national PIs, better sharing of what works and a better offer to children waiting for adoption and adopters.

8. SUSTAINABLE ACTION FOR A GREENER ENVIRONMENT

Not applicable

9. RISK MANAGEMENT IMPLICATIONS

9.1 Not applicable

10. CRIME AND DISORDER REDUCTION IMPLICATIONS

10.1 Not directly applicable.

11. SAFEGUARDING IMPLICATIONS

11.1 There are a number of concerns about the current adoption process as detailed in the report. The proposed arrangements for a regional adoption agency will it is believed lead to a more enhanced and speedier service for both children and adoptive families. Getting LAC children adopted within reasonable timescales is essential to their health, wellbeing and success. Ensuring adoptive families get a good assessment and support service is also essential as this will enable them to successfully parent our most vulnerable children

Linked Reports, Appendices and Background Documents

Linked Report

Appendices

None

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

None

Officer contact details for documents:

Nasim a Patel

London Borough of Tower Hamlets Adoption snapshot

LBTH Adoption and Special Guardianship Orders

Year	No of Adoptions	No of Special Guardianship Orders
13-14	15	12
14-15	22	17
15-16	14	8
YTD	8 completed 4 expected to be completed	17 completed 6 expected to be completed

Adoptions have decreased in Tower Hamlets as well as in other areas for well documented reasons:

- Case law (Re B and Re BS 2013) has had a profound impact on the numbers of children placed for adoption with a commensurate increase in the numbers of children placed with family and friends under Special Guardianship Orders.
- The challenge of number of children from diverse backgrounds, sibling groups, ages and needs that need to be adopted.
- Given the small numbers and complexity of process there are inefficiencies in the system which causes delay.
- Unusually long cases can have adverse impact on adoption performance as well as protracted court proceedings.
- International elements, family members seeking to put themselves forward later in the process, contested assessments can all combine to delay decisions making achieving adoptions more challenging.

Closer integration is believed to drive up standards and timescales. Tower Hamlets is part of the East London Adoption Consortium for adoption, which works collaboratively to ensure effective timely adoption processes are in place. We use this forum to buy and sell adopters to ensure quicker matching and run shared introduction and activity days.

Adoption performance

Historic benchmarking data is based on three year rolling average, as per the DFE Adoption Scorecard measures. The table below shows the average time taken for a child entering

care to move in with their adoptive family has increased on average over the last few years in TH, though for the latest published three year average, we were broadly in line with the London average of 635.

Average time between a child entering care and moving in with its adoptive family	2008 - 2011	2009 - 2012	2010 - 2013	2011 - 2014	2012 - 2015	2013 - 2016	Current (three year average)
Tower Hamlets	513	521	586	549	645	653	669
London		720	711	675	635	n/a	n/a
England	625	636	647	628	593	n/a	n/a

Tower Hamlets performance, although improving, over a three year trend includes some challenging cases which do take us above the average fairly regularly.

- A sibling group of two boys, who were abducted to Thailand. When returned to this country the birth parents challenged the proceedings, adding further delay but are now adopted.
- In the current year we are family finding for five year old twins of Caribbean heritage. Finally after almost a year of family finding through “It’s All About Me” (IAAM) there may be a family identified.
- With the use of a therapist and the Post Adoption Centre we have very few disruptions. In 15-16 there were no disruptions and none this year to date.

Tower Hamlets Adoption Team

Adoption work is carried out by Social Workers in the PAST team. The PAST team consists of **16** SW fte, **4** managers. In addition to approving and matching adopters the team also carries out the following duties: Single Assessments (SGO), Post Adoption Support and Special Guardian Support Services, Life story work and the statutory panel work.

London Regional Adoption Agency Report

September 2016

1. Overview

Following the publication of the DfE paper, *Regionalising Adoption* (June 2015), the Department invited councils and Voluntary Adoption Agencies to submit Expressions of Interest in becoming part of new regionalised arrangements. In response, the Association of London Directors of Children's Services (ALDCS) submitted a London proposition, which was approved for development in 'scope and define' phase. Through the development of regional agencies, the DfE and ALDCS aspire to speed up matching, improve adoption support and achieve cost efficiencies.

A number of possible models for the London Regional Adoption Agency have been explored. ALDCS have recommended the creation of a new local authority owned entity operating in a hub and spoke approach. The model is expected to retain a strong local link. It is recognised that local knowledge and relationships will be essential.

It is also noted that the work to date has focused on structure and legal considerations. The next phase of work will be on service design and will need to reflect a sufficient commitment to best practice standards as set by DfE and regulated by Ofsted and reflect the values of the boroughs involved.

Lbth Council will need to formally agree whether they wish to join the ALDCS Regional Adoption Arrangements, or seek other arrangements to join. The final detailed operational arrangements are expected to be developed by September 2017.

LBTH Children Social Care service will ensure that there is detailed stakeholder engagement and that the any new regional adoption agency fully reflects the values of our adoption service that is it is inclusive of all adopters and has a robust cultural sensitivity in matching children to adoptive families.

2. Background

2.1 **Adoption as a permanency option**

Adoption is a way of providing new families for children who cannot be brought up by their biological parents. It is a legal process in which all parental rights and responsibilities are transferred to the adoptive family. Once an adoption has been granted, it cannot be reversed. Alternative permanency options include special guardianship orders (SGOs) and long term fostering.

Successive governments have raised concerns that children in care may experience poorer outcomes due to a low rate of adoption as well as delays in the process. Children in care are more likely to be unemployed, to experience mental health problems, to become homeless and to have their own children removed from them. It should be noted that children in care often arrive in care with significant issues that contribute to poor outcomes; however, a poor care experience can exacerbate rather than remedy these issues. Conversely, a well-timed and good placement match can

make a significant and positive difference to the long-term outcomes of children who have difficult and damaging pre-birth and early year's experiences which lead to an adoptive placement.

2.2 The policy background to regionalisation

In order to improve outcomes for children in care, the Coalition Government introduced *An Action Plan for Adoption: tackling delay*¹ with legislative changes to the monitoring of the adoption process through an Adoption Scorecard. This set targets for Local Authorities to speed up the adoption process. In many authorities, those targets have not been met and the speed of adoption remains a local corporate parent and central government concern.

The Department for Education (DfE) paper, *Regionalising Adoption*² proposed the move to regional adoption agencies in order to:

- Speed up matching
- Improve adopter recruitment and adoption support
- Reduce costs
- Improve the life chances of vulnerable children.

The government has reinforced their policy ambition through provisions in the Education and Adoption Bill. The DfE's ambition is for all local authorities to be part of a regionalised service by 2020.

Through *Adoption: a vision for change*³, the Department highlighted the need to draw on the best of both the statutory and voluntary sectors to ensure that systems are designed around the needs of children. It also reinforced the vision to ensure that the voice of children and adopters is at the heart of policy making and service delivery.

There has been no ministerial change following the changes in government during July and the DfE has, since those changes, reaffirmed a commitment to this policy. A communication from the DfE to DCSs on 15th September stated 'RAAs will make an enormous difference to some of our most vulnerable children... We and the team would welcome any further feedback on how we can best work together to deliver the great potential which RAAs have to offer...'

2.3 Working together to improve adoption services in London

London boroughs and VAAs have a history of working together to improve adoption services.

2.3.1 Pan-London joint working

In 2013, the London Adoption Steering Group was set up to enable pan-London good practice sharing and development. This group transitioned to the London

¹ An Action Plan for Adoption: tackling delay (DfE, 2012)

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/180250/action_plan_for_adoption.pdf

² Regionalising Adoption (DfE, 2015)

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/437128/Regionalising_adoption.pdf

³ Adoption: a vision for change (DfE, 2016)

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/512826/Adoption_Policy_Paper_30_March_2016.pdf

Adoption Board in 2014. The London Adoption Board includes London boroughs and voluntary adoption agencies (VAAs) and is sponsored by the CVAA. The London Adoption Board has supported the collection of adoption data, facilitated best practice showcase events, advocated with external groups on behalf of London, and enabled the development of standards for adoption services.

2.3.2 Consortia arrangements

All London boroughs belong to an adoption consortium. These consortia allow best practice sharing between local authorities and enable joint working on some aspects of the service. In some cases, services are carried out jointly between boroughs via these consortia arrangements. Examples of service areas that are carried out jointly include adopter training, recruitment activity, and joint subscriptions. There is a range of levels of integration within the different consortia. Figure 1 shows the current consortia regions.

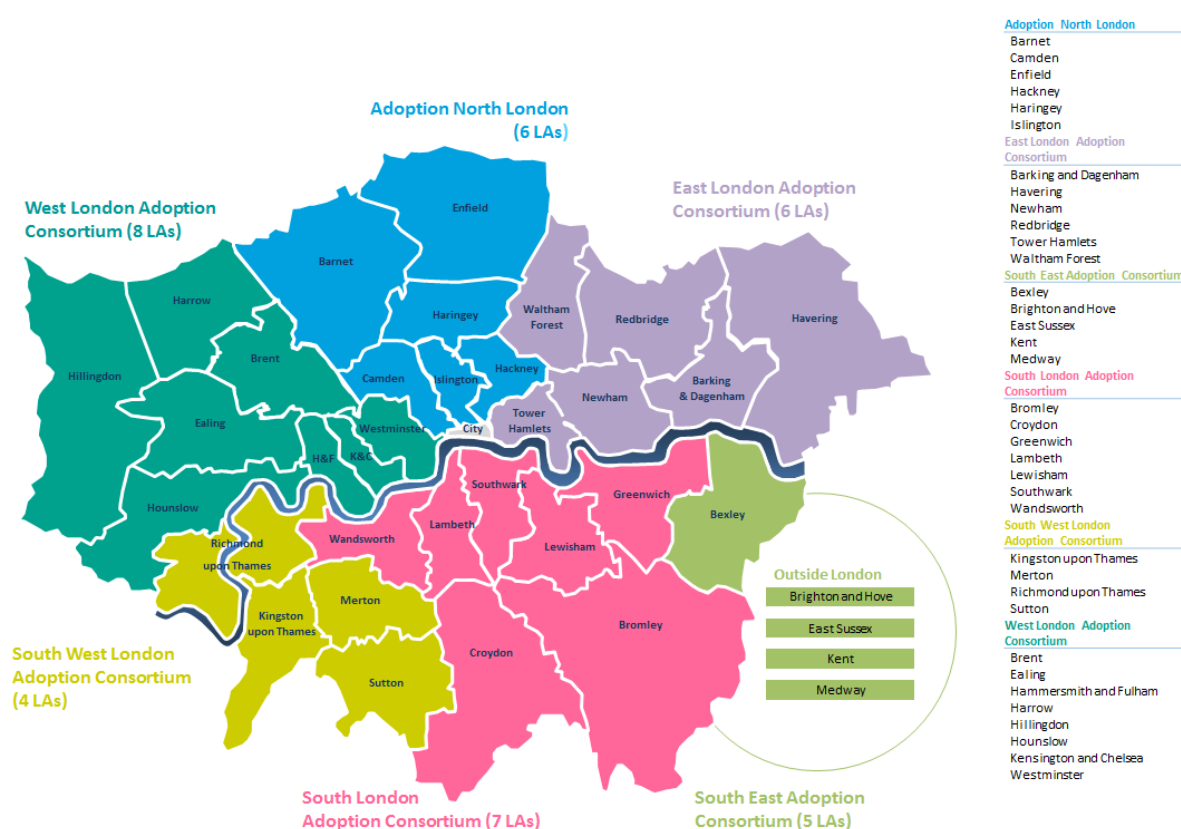


Figure 1. London adoption consortia arrangements

The engagement between boroughs and VAAs ranges from individual service contracts and spot purchase arrangements with VAAs to outsourcing the full adoption service. Many VAAs are involved in the consortia arrangements shown above.

3. The London Regionalised Adoption Project

3.1 Governance

Following the publication of this paper the Department invited councils and Voluntary Adoption Agencies to submit Expressions of Interest in becoming part of new regionalised arrangements. In response, the Association of London Directors of

Children’s Services (ALDCS) submitted a London proposition in late 2015. The DfE subsequently approved the ALDCS proposition as a “scope and define” project.

ALDCS set up and chair a Regionalisation Project Steering Group that has driven the development of the initial recommendations outlined in this document. The Regionalisation Steering Group sits under the governance of ALDCS and makes operational decisions to drive the project forward. An ALDCS reference group (5 DCS members) has also been set up to support the Regionalisation Steering Group Chair with ensuring that the views of London as a whole are represented at a senior level. A diagram of the governance arrangements is shown in Figure 2.

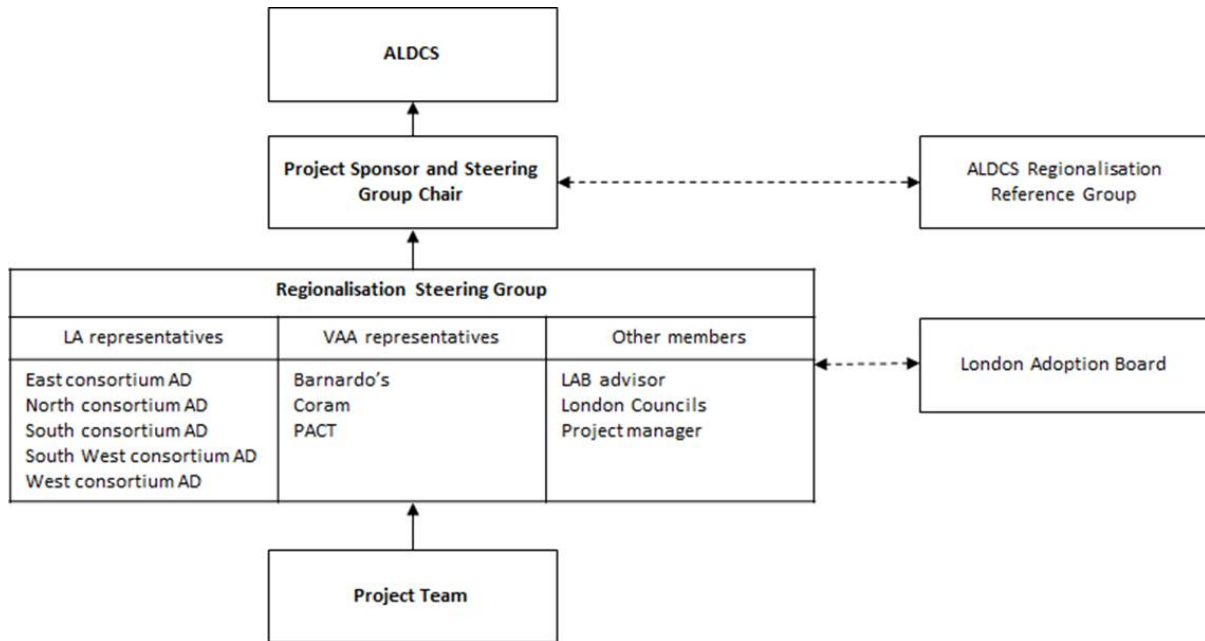


Figure 2. London Regional Adoption project governance and membership

3.2 The vision for London

The development and assessment of models for the London Regional Adoption Agency was preceded by the development of a vision for London. This vision was agreed by Directors and engaged upon with stakeholder groups.

The core of this vision is to ensure that all London’s children who require adoptive families receive excellent services that meet their needs leading to excellent outcomes for them and their adoptive family. See **appendix 1** for the vision statement.

3.3 Opportunity for London

The vision highlighted a focus on achieving the best outcomes for all London’s children in need of an adoptive placement and reducing any current postcode lottery of provision across the capital.

3.3.1 Outcome performance for children and adoptive families

With regards to the current outcome performance, the majority of London boroughs do not achieve the national average waiting time from entry to care to moving in, and there is wide variation in performance on this metric and the timeline from placement order to matching.

An activity survey carried out in the first phase of the project showed variable practice regarding the use of adopters approved by other agencies (other LA or VAA), and variation in the use of the adoption support fund. These practice differences may influence the placement timelines.

Adopter focus groups reinforced the need to improve equality in service provision across London. In particular, they raised concerns that training availability was limited in some areas and there was inconsistent access to adoption support.

Within these performance metrics, there is some clustering of performance seen within some consortia groups. This suggests that there is opportunity to improve through closer integration, but may also be influenced by the cohorts of adopters and children in these regions.

3.3.2 Cost and efficiency performance

For local authorities, the vision cites a need to support cost efficient and effective delivery that enables future flexibility. Figure 3 shows the variation in adoption numbers by borough during 2015-16. This shows that adoption is a very small service within many boroughs, which may result in inefficiencies and may reduce focus on this area within staff training and development.



Figure 3. Number of children adopted from care Q1-3 2015/16, ALB data set (unrounded)

There is also significant variation in cost per adoption, which partially relates to the efficiency aspects described above, but also reflects savings opportunities. An economic analysis during the first phase of work estimated the average cost per adoption in local authorities was £58,900, based on submissions from 21 local

authorities, compared to an interagency fee average spend of £33,300. This does not include indirect costs, adoption allowances, Adoption Support Fund spend, and third party payments. Further analysis is required to confirm the data and identify which tasks are carried out by local authorities and not by external agencies. This will provide an indication of the window of opportunity for efficiency improvement.

The greatest area of saving potential was identified within staffing, but the potential models are hypothetical and need further testing in the context of the service design. Further analysis is required of local authorities with low cost per adoption and good performance on timeliness and quality to identify whether these achievements are possible to extend to other areas. The London RAA will measure performance against Adoption Leadership Board statistics, quality metrics including breakdowns, process efficiency and satisfaction. Proactive tracking and problem solving processes will be a core function of the RAA.

4. Development of the Service and Delivery Model

The Regionalisation Steering Group considered a number of options for the delivery model, and recommended two for further investigation. In order to be able to advise Boroughs, ALDCS has sought legal advice regarding the proposed London scheme. In addition, there have been two events for elected members, as well as engagement with adopters, prospective adopters, and adopted young people.

4.1 Development of the high level service model

To create a London Regional Adoption Agency that best meets the needs of children and adopters in line with the expected Government guidance there was a need to consider the types of delivery vehicles and models that would make the difference in improving our specified outcomes. In January 2016, the project team held an options development workshop with LA, VAA and adopter representatives. Participants were provided with information collated from throughout the project engagement to date, and asked to identify the outcomes expected from each aspect of the adoption journey in order to achieve the vision. Groups then identified the commissioning and delivery scale required to achieve the outcomes. A diagram showing the outcomes identified in this workshop can be seen in **appendix 2**.

4.2 Options analysis on the delivery model

Building on this service design, the workshop participants were introduced to the potential delivery vehicles and structures. They agreed the desirability and feasibility criteria for scoring these vehicle/ structure combinations. These criteria were agreed by ALDCS.

4.2.1 Delivery vehicles considered

The following delivery vehicles were considered as part of the options appraisal process at either the pan-London level or the creation of multiple regional agencies:

- Single LA hosting on behalf of other LAs
- New LA owned entity
- LA-VAA joint venture
- Outsourcing to existing London VAAs

Within the above delivery models, a number of structures were considered:

- Fully centralised: a single London body
- Hub and spoke: central hub for London-wide co-ordination, commissioning and delivery, with sub-regional spokes for delivery and local commissioning under the same organisation.
- Tiered approach: top strategic tier, second strategic/ operational tier, third delivery tier.
- As-Is+: current arrangement with more formalised partnerships.

4.2.2 Recommendation on preferred models

The Regionalisation Steering Group carried out scoring of desirability and feasibility criteria and held a discussion of the available options based on engagement with stakeholders and other data captured. The group recommended the following options for further investigation:

- LA trading company delivery model with a strategic VAA partnership operating in a hub and spoke structure (Option 1).
- LA-VAA joint venture operating in a hub and spoke structure (Option 2).

A summary of the assessment of the individual options can be found in **appendix 3**.

At the March meeting of ALDCS, Directors received a report of stakeholder engagement in respect of the potential delivery models which could form the model for a future regionalised offer. Those preferences, based on guidance from stakeholders including VAAs, were a local authority trading company and a joint venture. Directors supported this recommendation.

4.3 Legal advice on the potential delivery models

On the direction of ALDCS, legal advisors were appointed to produce detailed advice on the two preferences.

4.3.1 Report coverage

The report is now complete and covers the following areas for the preferred models:

- Benefits and limitations of VAA involvement in the ownership and/or strategic partnership, with advice on the joint venture options.
- Governance implications with regard to the need for accountability to the LAs responsible for the child.
- Legal entities that would be appropriate for securing the optimum balance with non-statutory organisations.
- Income and tax implications of the models, including VAT treatment and the ability to trade with other regional agencies.
- Procurement implications of these models, with reference to Teckal exemption.
- Implications for registered charities including charitable assets and income.
- Potential staff transfer implications.

4.3.2 Recommended model

The report received from the legal advisors recommends that the Agency would be a not-for-profit community benefit society which is jointly owned by all of the LAs

(Option 1) who wish to participate in the project from the outset (Founding Councils). The figure below shows the structure of the recommended model.

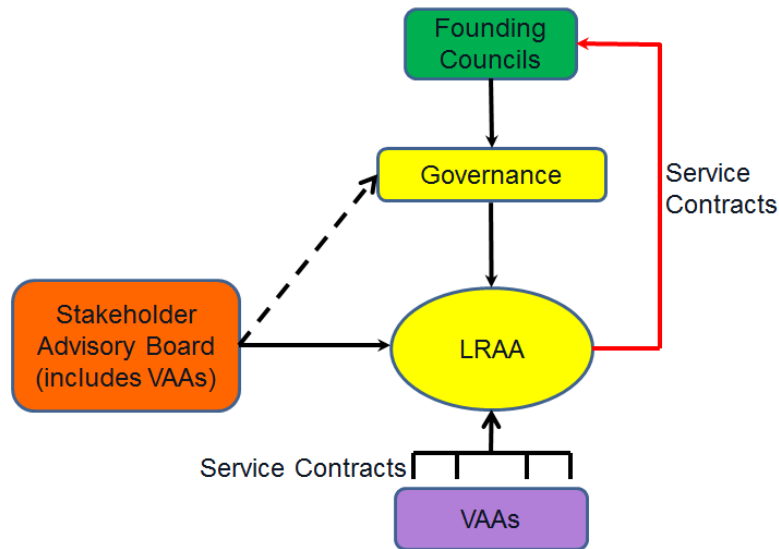


Figure 4. A multi-LA owned corporate entity working in partnership with VAAs to deliver adoption services

The Founding Councils' involvement in the Agency would be governed by a Members' Agreement. The Agency would be managed by a board of directors including officers of the Founding Councils, with places reserved for elected VAAs, and potential for other service user or stakeholder involvement. This model is quicker and cheaper to set up, and retains close VAA partnership working.

Further details on the distinctions between the two models can be seen in **appendix 4**.

5. Engagement and Consultation

5.1 London-level member engagement

In July 2015, London Councils published a Member Briefing⁴ on the Department's regionalisation policy platform and informed members that ALDCS had submitted an Expression of Interest. This was followed by a report to London Councils' Executive in October 2015 setting out regionalisation project in high level terms and seeking Executive's in principle support, which was agreed.

In November 2015, a London Councils Member Event⁵ was hosted by the project team. The feedback from members subsequently informed the project vision and detailed project plan. In July 2016, a further London Councils Member Event was held to share the initial options analysis and the report on legal implications of the potential models.

⁴ <http://www.londoncouncils.gov.uk/members-area/member-briefings/children-and-young-people-member-briefing/regionalising-adoption>

⁵ Reforming Adoption in London. Nov 6th 2015.

5.2 Other stakeholder engagement

The Project Development Group has engaged with voluntary adoption agencies, adopters and prospective adopters, and children and young people during the development of the recommendations. A list of these engagement sessions can be found in **appendix 5**.

6. Proposal

6.1 Proposal requiring local decision

Each London Borough is asked to reach their own decision on whether to join in principle the London Regional Adoption Agency.

London Borough of Tower Hamlets Council will need to formally:

- (i) Agree, in principle, to join a London Regional Adoption Agency, subject to detailed financial analysis; and
- (ii) Authorise the Director of Children's Services, in consultation with the Cabinet Member for Children's Services, to progress arrangements relating to the development of the Agency model.

6.2 Alternatives to joining the ALDCS regional adoption arrangements

The London Regional Adoption Agency has been developed to meet the needs of London Boroughs. It would operate in a similar manner to the London Admissions and London Grid for Learning Teams, with governance through ALDCS and London Councils.

The DfE require all local authorities to join a regional agency by 2020, therefore 'do nothing' is not an available option within the current policy and political landscape.

Alternatives to the London option would be to join another developing regional agency or create a new model. Other developing regional agencies have not been developed with the involvement of London boroughs. No other regional agencies have proposed a model linked to the governance of London local authorities. The London model is being developed with the complexity of the borough and provider landscape in mind. Many of the models being developed in other regions e.g. single LA host, would not be appropriate to meet this complexity of need.

Any new agency being developed would have the same timescale requirements and would need to access development funding independently. ALDCS identified that using existing arrangements (e.g. consortia) would not remove the performance and service variation across London and most current consortia regions would not achieve the DfE aims for scale. A sub-divided London would lose the benefit of the wider pool of adopters and the standardisation of service offering.

Given the the policy drive from the Government and examples of good joint working in other areas of children's services, an RAA as described in this paper is considered to be the only viable option at present.

6.3 Financial implications

This paper seeks support for joining the future London Regional Adoption Agency subject to detailed financial analysis.

6.3 Legal implications

Cabinet/The Committee is asked to support London Borough of Tower Hamlets joining in the development of a London Regional Adoption Agency which aims to improve adoption services, and deliver all adopter recruitment, matching and support functions for all of the London Boroughs.

A legislative framework for the regionalisation of adoption services came into existence through the Education and Adoption Act 2016 (the Act) on 16 March 2016. The Council is required to join a regional adoption agency or can be forced by the Secretary of State to do so.

The Council has anticipated the implementation of the Act. It joined the Regional Adoption Agency Project for London. All London Boroughs and 10 Voluntary Adoption Agencies are included, and the continued involvement in the London RAA will best ensure an effective pan-London service. The approval of Cabinet is required to enable the Council to participate in negotiations about the delivery model for the adoption services through the London Regional Adoption Agency.

6.4 Other implications

6.4.1 Risk management

The London Regional Adoption Project carries out risk assessment throughout the project with escalation via the Regionalisation Steering Group and ALDCS. The project plan includes expert advice on transition planning and change management. DfE funding to enable the implementation of the model is dependent on borough sign up.

Our staff have been and will be involved in shaping the development of the new agency. The project team will work closely with staff from all founding councils to identify, mitigate and manage any risk. The final model design will be subject to consultation.

If the London Regional Adoption Agency does not progress there is a risk that London borough of Tower Hamlets could be instructed to join another Regional Adoption Agency, and may have to join an RAA that it has not been part of developing.

6.4.2 Staffing issues

Adoption staff have been consulted on the proposal, and a number of staff maybe affected.. The London Regional Adoption Agency model recognises the need for local links with children and families, alongside a central team. As the model is developed staff will continue to be consulted. The final model is likely to involve current adoption teams being transferred over to the London Team via TUPE.

6.4.3 Safeguarding children

Adoption of the recommendations will contribute to the Council's objectives to improve the wellbeing of children in the Borough, reduce inequalities and ensure Looked After Children have the best opportunities to transition to a secure family environment permanently, where they are not able to return to their own family.

Practice expertise will be utilised in transition planning to ensure safeguarding children during transition to the new agency.

The London Regional Adoption Agency plans to improve collaboration with universal services for adopted children and their families through the development of the collective voice and through the increased scale of commissioning. This will support safeguarding links with universal services.

Appendices:

1. *ALDCS (Nov 2015) Regionalising Adoption: A vision for London Councils*
2. *Adoption journey outcome summary (Jan 2016)*
3. *ALDCS (March 2016) London Adoption Regionalisation – Project Update – Section 2*
4. *ALDCS (July 2016) London Adoption Regionalisation – Project Update – Section X*
5. *ALDCS (May 2016) London Adoption Regionalisation – Project Update – Section X*

Appendix 1 – Vision for London

Regionalising Adoption Vision for London

Background

The DfE paper *Regionalising Adoption* proposes the move to regional adoption agencies in order to speed up matching, improve adopter recruitment and adoption support, reduce costs, and improve the life chances of London's most vulnerable children. London is committed to ensuring that regionalisation delivers the best, most timely outcomes and experiences for both children and adopters.

This paper sets out the vision for London based on extensive consultation.

Vision

Our vision is to ensure that all London's children who require adoptive families receive excellent services that meet their needs leading to excellent outcomes for them and their adoptive family.

For children where adoption is the best option, we will:

- Ensure that the child and the child's journey is foremost in the new service design.
- Maximise the opportunity to find a loving family as quickly as possible.
- Provide support from the start of their journey through to adulthood, with a proactive and flexible offer to meet their educational, health and emotional needs.
- Involve children and young people in the development of the regionalised service.

For prospective adopters and adopters, we will:

- Provide clear, realistic and welcoming communication from first enquiry to post-adoption.
- Ensure that they are equipped to meet their children's current and future needs through high quality training and guidance.
- Deliver evidence-based assessment and approval processes within a consistent timeframe.
- Reduce time taken from approval to matching.
- Provide consistent post-adoption support across the region.
- Increase the diversity of adoptive parents.
- Engage with potential adopters and adoptive parents in the design of the regionalised service.

For birth parents of children being adopted, we will:

- Provide consistent access to support throughout London e.g. counselling and contact.

For local authorities (LAs), we will:

- Share learning across the region, and between the local authority and voluntary sector.
- Achieve savings and cost efficiencies, making the best use of public money.
- Match the supply of adopters to the children awaiting adoption across the region.
- Minimise complexity and ensure that barriers are not created between organisations.

- Be adaptable and responsive to manage future changes e.g. demand, legislation.
- Develop a model that allows flexibility in the level of service for individual LAs.
- Engage with universal services to enable consistent provision of adoption support.
- Identify opportunities for regionalised services to support other routes to permanence.
- Involve practitioners working in adoption services in the development of the model.
- Engage with VAAs and ASAs throughout the development of the regionalised model.

For voluntary adoption agencies (VAAs) and adoption support agencies (ASAs), we will:

- Create an organisation that recognises and utilises the expertise within the voluntary sector.
- Recognise and respond to demand and funding challenges in the voluntary sector.
- Engage with VAAs, ASAs and LAs throughout the development of the regionalised service.

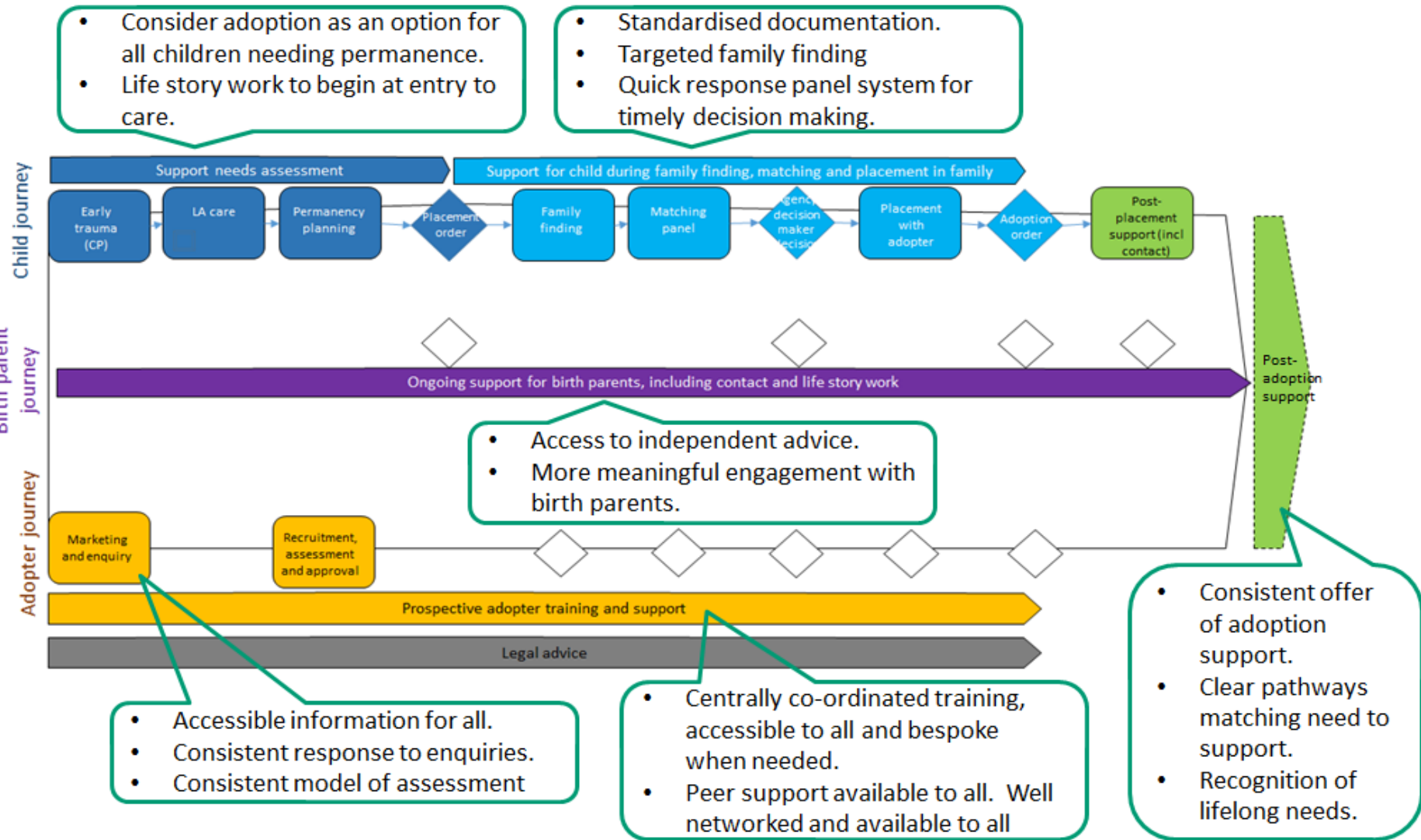
Key Design Criteria of model

- Child-centred, focussed on achieving the best outcomes for all London's children in need of an adoptive placement.
- Pan-London solution ensuring sufficient numbers of children and reducing any "postcode lottery" of provision across the capital and improving support for adopters.
- Regional focus on capacity and sufficiency ensuring equality of provision.
- Effective and high quality delivery of all statutory duties in relation to adoption and adoption support across London, utilising "Freedoms and Flexibilities" available to local authorities enshrined in amendments to the Children and Young Persons Act 2008.
- Creates an ability to work flexibly around a new London offer.
- Encompasses aspects of other permanency options into the future.
- Commits to close collaboration between all stakeholders.
- Considers the options for pooling resources and sharing responsibilities, including the legal functions currently performed by individual boroughs.
- Maintains and builds a clear relationship with London boroughs who remain responsible for the journey of the child.
- Works closely with VAA partners.
- A cost efficient and effective delivery approach enabling local authorities to deliver significant cost savings in adoption services whilst maintain high quality provision to children and families.
- The majority of funding for the regionalised model will go towards direct work to increase stable, secure, adoptive families for London's children.

Governance

Partners will work together under the strategic leadership of ALDCS, LAB as the multi-agency responsible body, and an executive steering group made up of representatives from LAs, VAAs and London Councils.

Appendix 2 – Adoption journey outcome summary



Appendix 3 – Assessment of potential delivery models

2. Preferred Delivery Models

The Regionalisation Steering Group meeting held on 24th February used scoring of the models and information collected throughout the phase to drive a discussion on the preferred models. The models were considered as combinations of delivery model (entity type) and structure (organisational configuration).

1. Delivery Models

The following delivery models were considered as part of the options appraisal process:

Model	Key points
Single LA hosting on behalf of other LAs	Steering group agreed that this option was not viable due to: <ul style="list-style-type: none"> <input type="checkbox"/> Scale and complexity is too large for a single LA to manage. <input type="checkbox"/> Organisational culture would be strongly influenced by the individual LA identified. <input type="checkbox"/> Likelihood of limiting membership of some LAs for political and geographical reasons.
LATC – a new LA owned entity	The steering group agreed that this model should be explored further. Key areas of discussion included: <ul style="list-style-type: none"> <input type="checkbox"/> Potential for strategic partnership with VAAs in a new LA-owned entity. <input type="checkbox"/> Lower procurement risk in this model.
LA-VAA joint venture	The steering group agreed that this model should be explored further. Key areas of discussion included: <ul style="list-style-type: none"> <input type="checkbox"/> VAAs would prefer to be around the table. <input type="checkbox"/> The commissioning income stream is vital to VAAs. <input type="checkbox"/> Greater potential for competition and income generation.
Outsource to existing London VAA	This was eliminated prior to scoring as VAAs attending stakeholder forum identified significant concerns with this model as indicated in the single LA host commentary.

2. Structures

Within the above delivery models, a number of structures were considered:

Structure	Key points
Fully centralised: single London body	Steering group agreed that this option was not viable due to: <ul style="list-style-type: none"> <input type="checkbox"/> Inability to deliver the adoption journey as mapped <input type="checkbox"/> Reduces benefit of local knowledge and relationships.
Hub and spoke: Central hub for London-wide co-ordination, commissioning, and delivery. Sub-regional spokes for delivery and local commissioning under the same organisation (not necessarily using current consortia).	Steering group agreed preference for this structure. Key points of discussion were: <ul style="list-style-type: none"> <input type="checkbox"/> Local enough to maintain relationship with child and adopter at centre. <input type="checkbox"/> Good balance of delivery at scale while retaining clear organisational structure. <input type="checkbox"/> Configuration flexibility – elements to be commissioned or delivered in hubs or spokes <input type="checkbox"/> Long term contract options for providers servicing spokes.
Tiered approach: top strategic tier, second strategic/operational tier,	Steering group agreed that this option was not viable due to: <ul style="list-style-type: none"> <input type="checkbox"/> Similarity to current arrangements likely to lead to continuation of postcode lottery. <input type="checkbox"/> Additional tiers adding complexity to management and funding arrangements.
As-Is+: current arrangement with more formalised partnerships	This was eliminated prior to scoring as DfE learning events identified that this would be viewed as insufficient change.

3. Recommendation

The steering group recommends the following preferred models for further investigation with regards to their governance, legal implications, procurement and financial implications:

- LA trading company delivery model with a strategic VAA partnership operating in a hub and spoke structure
- LA-VAA joint venture operating in a hub and spoke structure.

Please see appendix 1 for further summary regarding the identification of these models.

Appendix 4 – Summary of legal advice on two preferred models

3. Legal advice on the potential models

3.1 Introduction

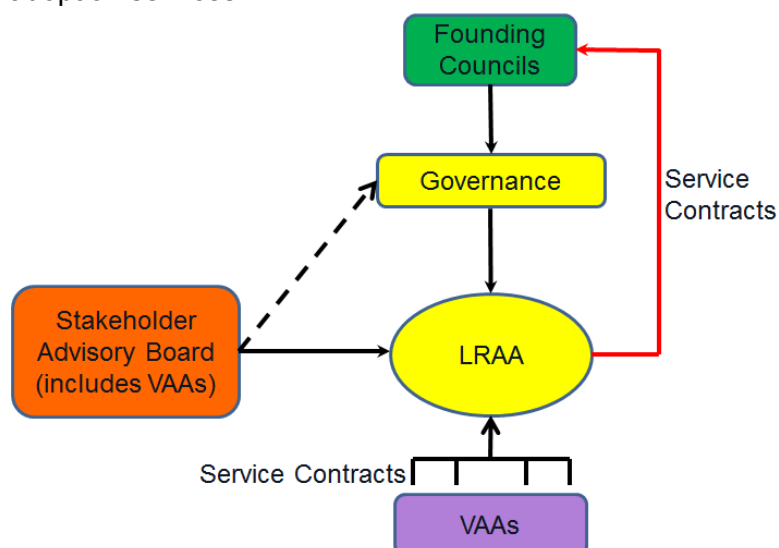
At the March meeting of ALDCS, Directors received a report of stakeholder engagement in respect of the potential legal entities which could form the model for a future regionalised offer. On the direction of ALDCS, legal advisors were appointed to produce detailed advice on the two preferences which Directors supported. Those preferences, based on guidance from stakeholders including VAAs, were a local authority trading company (Option 1) and a joint venture (Option 2).

The report has now been completed and covers the following areas for the preferred models:

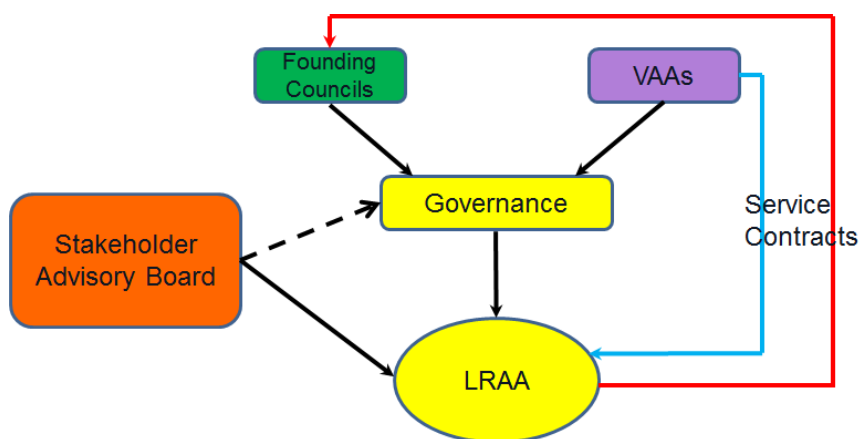
- Benefits and limitations of VAA involvement in the ownership and/or strategic partnership, with advice on the joint venture options and whether joint venture partners would need to be procured.
- Governance implications with regard to the need for accountability to the LAs responsible for the child.
- Legal entities that would be appropriate for securing the optimum balance with non-statutory organisations within these models.
- Income and tax implications of the models, including VAT treatment and the ability to trade with other regional agencies.
- Procurement implications of these models, particularly with reference to Teckal exemption.
- Implications for registered charities including charitable assets and income.
- Potential staff transfer implications.

3.2 Structure of the two options

Option 1 – the development of a multi-LA owned corporate entity working in partnership with VAAs to deliver adoption services



Option 2 – the development of a corporate entity involving both the LAs and VAAs as members/ shareholders to deliver adoption services



3.3 Comparison of the two options

The key comparison points of the two options are shown in the table below:

	Option 1 – LA owned	Option 2 – Joint venture
Governance	<ul style="list-style-type: none"> <input type="checkbox"/> Teckal company – can be set up from day one. 	<ul style="list-style-type: none"> <input type="checkbox"/> Joint venture would need to run procurement to identify VAA owner-partners.
Role of VAAs	<ul style="list-style-type: none"> <input type="checkbox"/> Role on advisory board, as well as directorships reserved for VAAs. <input type="checkbox"/> Service contracts. 	<ul style="list-style-type: none"> <input type="checkbox"/> Full role in governance structure.
Procurement	<ul style="list-style-type: none"> <input type="checkbox"/> Teckal exemption would apply as Agency would be wholly owned and controlled by the Founding Councils and will carry out the majority (>80%) of its work for those Founding Councils. <input type="checkbox"/> The Agency could use a restricted procurement procedure to establish a framework for VAAs for service contracts. 	<ul style="list-style-type: none"> <input type="checkbox"/> VAAs are private sector for procurement purposes, and so cannot rely on Teckal. <input type="checkbox"/> Competitive dialogue would be needed to establish terms of governance and award of service contracts. A larger exercise could prevent some smaller VAAs from taking part.

Tax	<ul style="list-style-type: none"> <input type="checkbox"/> Should be capable of satisfying HMRC's requirement for 'mutual trade' status, meaning there would be no corporation tax on surpluses. <input type="checkbox"/> Service supplies by the Agency to LAs would be VAT exempt. This means that irrecoverable VAT would be incurred by the LRAA. 	<ul style="list-style-type: none"> <input type="checkbox"/> Application of mutual trade exemption would be problematic due to the lack of a trade with the VAAs. Therefore, unless the Agency had charitable status, it would need to include provision in its business plan for payment of corporation tax.
Pensions	<ul style="list-style-type: none"> <input type="checkbox"/> May be considered a Designated Body if the 'connected with' test is met. 	<ul style="list-style-type: none"> <input type="checkbox"/> Less certainty of the 'connected with' test being met to gain Designated Body status. <input type="checkbox"/> A number of VAAs operate occupational salary-related pension arrangements, subject to regulatory oversight by the Pensions Regulator.
Other		<ul style="list-style-type: none"> <input type="checkbox"/> VAA constitutions would need to be reviewed. A number of VAAs would need to satisfy themselves that participation in the Agency is consistent with their charitable objects.

3.4 Notes relevant to both options

- Legal form – It is recommended that the Agency would be a not-for-profit community benefit society. At this stage, it is suggested that the Agency is not established as a charity. As a community benefit society, it should be possible to achieve charitable status in the future by adopting charitable objects.
- Governance – It is recommended that member of the Agency collectively elect the board of management of the Agency. This allows members to retain the ultimate control of the board, but also permits a smaller, more focused board that has the best suited individuals on it. A board size of 8-12 is suggested, with the majority of board members elected from candidates drawn from participating LAs.
- Staff – TUPE would apply where any services currently delivered by the Founding Councils and/ or participating VAAs are transferred to the LRAA. If there are certain functions which can only be provided by an employee of a Local Authority, alternative staffing models including secondment and joint employment or dual employment could be considered.
- Future flexibility – Processes for exit from or entry to the Agency at a later date can be agreed within the Members' Agreement.

3.5 Recommended model

The report received from Trowers & Hamlins recommends that the Agency would be a not-for-profit community benefit society which is jointly owned by all of the LAs (Option 1) that wish to participate in the project from the outset (Founding Councils). The Founding Councils' involvement in the Agency would be governed by a Members' Agreement. The Agency would be managed by a board of directors including officers of the Founding Councils, with places reserved for elected VAAs, and potential for other service user or stakeholder involvement.

This model is quicker and cheaper to set up, and retains close VAA partnership working.

3.6 VAA feedback on the report

As part of their role on the steering group, VAA representatives have sought the views of the VAA stakeholder group on the legal report. A response has been received raising the following:

- A query on the consideration of Teckal as a key factor in the decision making between an LA owned entity and a joint venture.
- The viability of an option not covered in the report for the creation of an Innovation Partnership.
- Whether it allows continuation of independent VAA sales.

Appendix 5 – Engagement tracker (1st June 2016)

Group	Engagement	Dates/Frequency	Coverage for Project Specific Events
Adopters	Regionalisation members/DCS event	Nov	1 + 2 professional
	Regionalisation options development workshop	Jan	1 + 2 professional
	Regionalisation adopter forum I	Jan	19 adopters
	Regionalisation adopter forum II	Mar	26 adopters
	We Are Family: regionalisation discussion	Mar	1 adopter / 5 prospective
	LAB representation	Monthly meeting agenda item	1 LAB adopter rep
Children	Regionalisation drop-in event	Mar	No attendees - new approach needed
	Research and existing reports. We worked with the Coram Adoptables group to identify the experiences and ideas of children and young people. Coram have produced a detailed report focused on the needs of young people and their thoughts on regionalisation	May	Focus group: 8 young people Wider group: 100 young people Desktop research and assimilation of existing studies (studies ranging from 100 – 208 young people)
	Call for other existing research / reports from other organisations	May	Sent to newsletter database of 116
LAs	Regionalisation members DCS / event	Nov	
	QA doc for DCS	Planned - June	
	Regionalisation steering group	Monthly	Consortia–AD representation
	ALDCS meeting	Jan	
	London Adoption Board	Monthly agenda item	
	Regionalisation options development workshop	Jan	65% LAs represented
	Regionalisation panel advisors workshop	Jan	50% LAs represented
	Adoption and Fostering Network meeting attendance	Dec	
	Consortia meetings	4 x Jan, 2 x Feb	All consortia attended
	PAC-UK event: regionalisation presentation	Feb	
	LAB innovation event: regionalisation presentation	Mar	

	Heads of Communications – attendance at monthly meeting requested	TBC - July	
VAA s	Regionalisation members/ DCS event	Nov	
	Regionalisation steering group	Monthly	30% VAAs represented
	Regionalisation VAA stakeholder forum I	Dec	60% VAAs represented
	Regionalisation VAA stakeholder forum II	Jan	100% VAAs represented
	Regionalisation VAA stakeholder forum III	Feb	50% VAAs represented
	Regionalisation ALDCS-led VAA stakeholder forum	Jan	100% VAAs represented
	Regionalisation option development workshop	Jan	70% VAAs represented
	London Adoption Board	Monthly agenda item	
	Consortia meetings	4. x Jan, 2 x Feb	All consortia attended
Elected members	Elected members events	Nov June	
ALL / Additional	Regionalisation Newsletter	Monthly	116 subscribed, 41 % avg open rate
	Workforce Engagement Sessions: panels and all workers in adoption	May and June (9 sessions over 4 days at different venues)	183 invited 68 registered to date 58 attended to date 21 to attend in June 19 follow up surveys received to date

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<p>Cabinet</p> <p>6 December 2016</p>	 <p>TOWER HAMLETS</p>
<p>Report of: Denise Radley, Director of Adults' Services</p>	<p>Classification: Unrestricted</p>
<p>Adult Social Care Charging Policy</p>	

Lead Member	Councillor Amy Whitelock Gibbs, Cabinet Member for Health and Adult Services
Originating Officer(s)	Helen Donnellon, Project Manager
Wards affected	All wards
Key Decision?	Yes
Community Plan Theme	A healthy and supported community

Executive Summary

A decision was made in February 2016, as part of the of the Council's budget setting process for 2016/17, to introduce charging for Community Adult Social care services, subject to thorough consultation on the approach to the development and implementation of financial assessment and charging. The rationale for this decision was to protect social care provision and put it on a sustainable footing for the future, in light of Government reductions in funding and rising demand for support, by asking people who can afford it to contribute to their care costs, in line with almost all other councils.

The Mayor made clear that the policy development and consultation must ensure any charging scheme is fair, particularly protects those on low incomes and explores additional rules that are more generous than the statutory framework.

Public consultation was undertaken from 20th June to 4th September focusing on the impact of charging and the extent to which the council should exercise discretion in its approach to financial assessment in order to mitigate any adverse impacts.

Responses to the consultation have been analysed and financial modelling produced in order to understand the likely impact of charging on individuals who are in receipt of services and on the overall income the council will generate.

A new charging policy has been drafted which sets out our proposed approach to charging for community adult social care services. The policy also covers charging for residential, nursing and extra care services in sheltered housing (which are already charged for) including our approach to deferring payments for

residential and nursing care to reflect the requirements of the 2014 Care Act.

Key points to note regarding the introduction of charging for community services:

- The services to be charged are home care, day care and transport.
- Telecare, support for carers, reablement and preventative services will not be charged for.
- National requirements provide protection from charging for those on very low incomes with no/minimal savings.
- Our financial assessment process will provide an opportunity to support social care clients to maximise their benefit take up. We will identify through the process clients with potential benefit entitlement that they are not claiming and provide pro-active advice and support to those clients to ensure that they are maximising their income.
- Clients are only charged based on what they can afford following an individual financial assessment.
- Until all clients have had a financial assessment we cannot confirm how many will actually pay a charge. Our modelling suggests that between 30% and 40% will have to contribute towards the cost of their care under the proposed policy. It should be stressed that this is an estimate based on the information available to us and therefore may not reflect the exact proportion that will contribute following the full financial assessment process.
- For people receiving community adult care services, there is no risk of someone's home being lost as the value of the main home where the person is living is disregarded.
- Financial modelling in this report is based on assumptions regarding the financial circumstances of those receiving services – income generated for the council following individual financial assessments may be higher or lower than projected.
- For anyone in employment, earned income is disregarded for the purposes of applying charging.
- Capital (including savings) is taken into account for charging purposes. Capital below the lower capital limit of £14,250 is ignored, between this amount and the upper limit of £23,250 an amount of £1 is added to weekly income for every £250 of capital. Service users with capital above £23,250 will be expected to meet the full cost of their care subject to the cap of £250 on care charges.
- Charging will be implemented from April 2017, following individual financial assessments to commence from January 2017.

Recommendations:

The Mayor in Cabinet is recommended to approve the new charging policy for adult social care (attached in Appendix 8) including the following discretionary elements

- a. Agree a standard allowance of £15 per week for all utilities (e.g. heating, water and electricity) which will be disregarded from the income used for charging for community-based services.
- b. Use a higher standard weekly minimum income guarantee

(MIG) for adults under pension age of £151.45 when determining how much service users will be asked to contribute to their care costs for community-based services.

- c. Agree a cap on care charges of £250 a week to limit the maximum amount that could be charged to an individual user.
- d. Agree that the local authority will not charge interest rates on deferred payments for residential and nursing care whilst the client remains in residential/nursing care.
- e. Agree that the local authority will charge administration fees (set out in Appendix IV) in relation to deferred payments for residential or nursing care that reflect the actual costs incurred by the local authority.
- f. Agree that the local authority will disregard 10 per cent of any rental income when calculating how much a person with a Deferred Payments Agreement needs to pay towards the cost of residential or nursing care.

1. REASONS FOR THE DECISIONS

Charging for community-based services

- 1.1 The overarching reason for introducing charging for community social care charges is to manage growing cost pressures and rising demand for support (including from a population predicted to grow significantly), in the face of significant reductions in central government funding for local authorities.
- 1.2 Following the decision of Full Council in early 2016 to introduce charging for community adult care services, further work was undertaken to analyse the options for the detailed policy to support charging. As Tower Hamlets are the last local authority to introduce charging for community services¹, charging policies for London Boroughs with similar profiles to Tower Hamlets were reviewed. These demonstrated a range of discretions applied making local policies more 'generous' than the national scheme. In line with the Mayor's priorities to tackle poverty, the application of discretions which provide further protection for those on low incomes was proposed. Proposals were drawn up and consulted on to gauge local views which have then informed the final proposals set out in the policy.
- 1.3 Additional allowance for utilities - the statutory framework for charging requires us to make allowances for housing costs. These amounts are deducted from income in deciding how much is available for charging. The regulations specify that these costs must include mortgage payments, rent, ground rent, council tax and service charges, meaning that these essential types of expenditure are protected from charging. Applying a standard

¹ All local authorities now charge for community adult care services with the exception of Hammersmith & Fulham – this Council used to charge but withdrew charging for community social care in recent years through a specific policy decision.

allowance of £15 a week for all other utilities which will be deducted from the income available for charging is a discretion and is proposed to reflect consultation feedback and provide additional help to meet the cost of heating, lighting, water etc.

- 1.4 Survey responses and feedback from events with community groups has shown that a majority of people feel that an allowance should be made for other household costs. The response on what costs these should be has been varied although heating, electricity and water bills were cited most frequently. Setting a universal allowance to cover general household costs ensures that no one type of expense is prioritised over another and addresses the range of suggestions made.
- 1.5 Application of this discretion is in line with the Council's objective to tackle poverty as it would benefit those on lower incomes, who often pay a "poverty premium" for water and other utilities as they are subjected to higher rates, and for whom these essential costs are a far higher proportion of their disposable income, compared to those on higher incomes. This discretion is applied by two of the seven Councils whose policies were considered to inform our policy.
- 1.6 The estimated impact of a £15 allowance for utilities is illustrated at Appendix 6. This shows that, depending on the level of service user income, the income forgone by the Council by adopting this discretion could be up to £1.9m.
- 1.7 Enhanced Minimum Income Guarantee - the statutory minimum income guarantee (MIG) is set at income support or pension credit levels plus 25% and is set at these levels in order to cover living costs. The MIG for each person will vary according to circumstances (Appendix 1 shows the current levels.) The minimum income guarantees as set by government are:
 - under 25 £72.40
 - over 25 but less than pension age £ 91.40
 - over pension age £189

In addition, people eligible for certain disability benefits are entitled to a disability premium of £40.35 a week and enhanced disability premium of £19.70 a week

- 1.8 Using a basic MIG for adults under pension age which is equivalent to the rate for those over 25 but under pension age (£91.40) and adding amounts equivalent to disability premium (£40.35) and enhanced disability premiums (£19.70) would increase the MIG for all single people under pension age to at least £151.45 per week. This is similar to the policy in neighbouring Hackney.

Whilst this would have no effect on those already entitled to a MIG in excess of this amount either through the addition of disability premiums or because they are over pension age and in receipt of a basic MIG of £189, it would

ensure that more single people under pension age on very low incomes are not charged at all. Setting the MIG at this level ensures there is a fairer approach to adults needing social care support whose needs are not recognised by the benefits system and would otherwise fall below this level. It also allows us to have a basis for uprating this amount each year in line with the statutory guidance

Exercising this discretion will ensure that service users will be able to keep more of their income and will benefit people who are in the lower income range, as they will keep a higher proportion of their disposable income. More people will be taken out of having to pay a charge at all. This discretion is applied by a number of the other Councils considered. Introducing this discretion supports the council's strategic objective to tackle poverty. Analysis of the financial impact of charging and the discretions that have been recommended are included as Appendix 6. This suggests that the income forgone by the Council from this discretion could be up to £642k per year.

- 1.9 Weekly maximum charge - applying a cap of £250 per week on the maximum that could be charged would ensure that those who were assessed as having to pay and whose package of care was over £250 a week would make a maximum contribution to the cost of their care of £250 a week. This would particularly benefit those who have very complex needs and therefore a more expensive care package. Through the consultation, stakeholders and residents asked us to consider a cap on charges to avoid people with more complex needs being particularly penalised. A weekly charge of £250 per week is similar to the policy applied in Hackney.

The regulations offer no protection on the cost of care so it is possible to charge the full cost of the care package. Anyone who has a high cost package of care who has to pay the full cost of that care could face a substantial bill and significant lifetime costs, especially those with a disability or health condition that starts at a young age. The Care Act guidance suggests that Councils should consider providing people with protection from unlimited care costs that could see them losing a large proportion of their assets in order to meet the costs of their care.

Deferring payments for residential and nursing care

- 1.10 The Care Act 2014 requires local authorities to provide an option of Deferred Payments for those moving into residential and nursing care who own their own property. In these circumstances an agreement allows for charges to be deferred until the home is sold, at which point money is repaid to the Council. Local authorities have some limited discretions in relation to how Deferred Payments are operated locally.
- 1.11 Interest on Deferred Payments - not charging interest removes a barrier to taking up deferred payments, as interest rates can act as a disincentive. This approach mitigates against the risk that residents on lower incomes will not

want to take a deferred payment – or will be reluctant to take up care – out of a real or perceived concern that they will not be able to afford later repayments. In order to mitigate the risk of long delays in sorting out a client's financial affairs following their death, it is proposed to start to charge interest after the point at which the deferred payment becomes due. This approach to charging interest after the point at which the deferred payment becomes due is in line with other local authorities

- 1.12 Administration Fees for Deferred Payment Agreements - Charging administration fees for deferred payments based on the actual amounts incurred will ensure the local authority is not at a financial disadvantage in this respect. This is in line with the approach taken by other local authorities.

- 1.13 Disregard for those Renting out their Property - Disregarding 10 per cent of any rental income when calculating how much a person with a Deferred Payment Agreement needs to pay towards the cost of residential or nursing care will enable residents to keep an amount of income that they are likely to need to keep their property insured and in good repair. This amount is a disregard and should not be confused with their Disposable Income Allowance, which is a fixed amount of money from a person's income that we must allow a person to retain to meet daily living costs. Disregarding 10 per cent of rental income is in line with the approach taken by other local authorities and is considered an appropriate amount for meeting the costs of insurance and repairs.

2. ALTERNATIVE OPTIONS

Charging for community-based services

- 2.1 Generally, the council could decide not to charge for community-based services, but a previous decision was taken by Full Council to proceed with this policy, as charging would raise crucial income for the council at a time when it has to find £58m of savings in the next three years.

- 2.2 A number of different types of discretions were considered as set out below. In general, the proposed policy was constructed by trying to balance and take into account:
 - A strategic priority to tackle poverty and identify discretions which support those on lower incomes
 - The experience of other, similar Councils in applying discretions within their charging policies
 - Feedback from the consultation
 - The potential impacts on different groups identified in the equality analysis
 - The income that needs to be generated from charging as part of the agreed

Council budget

- Financial modelling on the likely impact of different scenarios

2.3 *Discretions relating to the assessment of income*

A percentage could be applied to income that is considered to be available for charging. This discretion was common in other councils but seems to have been phased out in recent years. We are only aware of one other borough (Hackney) that currently applies this. It would apply universally to clients with high and low incomes so would likely have a significant impact on council income and effectively benefits those on higher incomes more, as they are more likely to have 100% of their income eligible for charging.

2.4 *Discretions related to the assessment of capital*

The regulations specify that capital such as savings and other assets should be considered in carrying out a financial assessment. There are a range of capital sources that must be ignored, and these are attached as **Appendix 2**, other than that, the regulations specify that the first £14,250 of capital should be ignored entirely, and that service users should pay the full cost of care if they have more than £23,250 of capital. Between those two limits, tariff income of £1 per £250 of capital should be added to the assessed income level. For example someone with £20,000 in capital would have £23 added to their weekly income. This is calculated by the difference between £14,250 and £20,000 (£5,750) divided by 250. The Council could increase these thresholds, or reduce the amount of tariff income taken. Some other councils apply this discretion although we have been unable to identify any in London. Exercising this discretion would most benefit people with significant amounts of capital and is not therefore in line with the aim of protecting those on lower incomes. It should be noted that in relation to capital, the value of the home an adult occupies as their main residence is excluded from the assessment of capital.

2.5 *Discretions related to allowances*

In relation to disability related expenditure; the discretions that are applied in some other councils involve setting standard rates, with provision to individually assess expenditure for clients who believe they spend more. An example would be that £15 is automatically deducted from assessed income as disability related expenditure, but that any service users who spend more would have to have a full assessment of how much they actually spend. Some clients may benefit financially if their actual expenditure is below the standard rate. However, the standard rates tend to be low and it appears that this discretion is used as a way of making the assessment easier rather than to benefit service users financially. Since we will be carrying out individual financial assessments for all service users as part of the implementation of the charging policy (which will in turn generate data which can be used to estimate income going forward), any advantage through a simplified assessment is considered to be minimal.

2.6 *Discretions related to charges*

Discretions related to charges that are used in some other councils are to charge standard (rather than actual) rates for care. Standard rates will benefit clients who are receiving care where the actual cost is higher than the set standard rate and penalise those with actual care costs below the standard rate. This does not appear to be a commonly exercised discretion and may be contrary to the personalisation and choice agenda.

A period of free care could be applied when people first access care services, but this is a discretion that does not appear to be applied by other councils, since applying a number of weeks free care would make the assessment more complex and confusing for service users as there would be different periods with different amounts of charges. Everyone will continue to be assessed and receive services based on need rather than ability to pay with a financial assessment taking place separately from the needs assessment and many of the services available to service users will continue to be free of charge (such as preventative services accessible to all).

Deferred Payments

- 2.7 The discretions set out in national guidance were considered. The local authority has discretion to charge interest up to a maximum rate that is based on the cost of government borrowing². It also has discretion not to charge interest at all. The proposed application of charging interest following the death of the client aims to balance barriers to take-up of the scheme and prompt access to care with the councils' need to recoup charges incurred in a timely way. It should be noted that not charging interest is likely to have a negative financial impact on the local authority: whilst we recoup the actual amount spent through the deferred payment agreement, the value of the recoupment will diminish over time whilst the cost of services increases. Even though the charges will increase with the Council's charges, this does not account for the loss to the Council of paying for a service in advance of recoupment through the deferred payment agreement. Applying current national government borrowing rates to the average cost of residential and nursing care, the estimated lost income per client over 5 years would be £2,600.
- 2.8 The local authority has discretion to charge administration fees in relation to deferred payments. Not charging residents the actual cost incurred would leave the local authority at a financial disadvantage.
- 2.9 The local authority has discretion when it comes to offering deferred

² The maximum interest rate chargeable is derived by adding the weighted average interest rate on conventional gilts ("the gilt rate") to a 0.15 per cent default component. The gilt rate is set out by the Office for Budget Responsibility (OBR) twice a year in their Economic and Fiscal Outlook reports. The maximum interest rate changes every six months to track the gilt rate and it is fixed for six-monthly periods (1 January – 30 June and 1 July – 31 December). The relevant figure to use in calculating the interest rate for a given six monthly period is the gilt rate set out in the Economic and Fiscal Outlook report published most recently before the start of that period for the financial year in which the period is to start. From 1 January to 30 June 2016 the maximum chargeable was 2.15 per cent

payments on “top-ups”³. Not offering deferred payments on top-ups may leave a number of residents with little option but to sell their home in order to pay for the top-up amount. However, it should be noted that offering deferred payments on top-ups will mean that the local authority will be taking on an increased level of financial risk as the amount of payments being deferred will be higher. Offering a deferred payment on a topped-up amount also presents a risk to the local authority of assets being depleted more quickly, and the authority having to pay a high-cost placement if the provider will not accept a lower, non-private rate. Balancing all of these risks, the local policy does not provide for Deferred Payments on tops ups and families would need to take this into account if choosing a home above the fee levels paid by the local authority.

- 2.10 The local authority has discretion in relation to the amount of rental income someone with a deferred payment is able to retain. The local authority could ask residents to contribute less, more or all of their rental income towards the cost of residential or nursing care, but this would potentially leave residents with little resource to pay for insurance and repairs. However, it should be noted that Disposable Income Allowance (a fixed amount of money of a person’s income which the local authority must allow the person the option of retaining) is intended to be used to meet daily living costs. Disposable Income Allowance could arguably be used to meet the costs of renting property, such as insurance and repairs.

3. DETAILS OF REPORT

- 3.1 The majority of this report provides details of the consultation and proposals in relation to introducing charging for community adult social care services. A new charging policy has been drawn up to reflect these proposed changes (Appendix 8) and this also updates the charging arrangements already in place for residential, nursing and extra care services. It also contains new provisions for Deferred Payment Agreements which is a requirement of the Care Act 2014 – some discretions in relation to this element are also proposed in this report.

Charging for community-based services

- 3.2 The combined effect of rising demand for adult social care services and inflation will result in estimated budget pressures of approximately £4m per annum over the three year period from 2016 to 2019. Due to reductions in Government funding, in its Medium Term Financial Strategy (MTFS) the Council as a whole will have to make an estimated £58m savings across the three years from 2017/18. The Council therefore has to consider how to make funding for adult social care sustainable in this context to ensure that adults with care needs continue to receive the support they require.

³. A “top up” is an amount of money that a social care user or a third party pays in addition to the contribution they have been asked to pay through a financial assessment. It is typically paid when someone wishes to use a particular service that costs more than the local authority has agreed to pay: That person is “topping up” their care package so that they can use a more costly service if this is in line with their preferences.

- 3.3 As part of its budget setting process for 2016/17, Cabinet agreed a proposal to implement charging for community based adult social care services, as part of its strategy to address the expected budget shortfall as a result of reduced funding from central government and growing demand for services. This was agreed as part of the Council's budget in February 2016 by Full Council.
- 3.4 The Council is one of only two in England and Wales that do not generally charge for community based social care services. The exception to this is extra care sheltered housing clients in Tower Hamlets who are already charged for care if they can afford to contribute. Residential clients are charged in line with the pre-Care Act 2014 regulations which obliged councils to charge for residential care.
- 3.5 The Care Act 2014 introduced a new statutory regime for charging for adult social care services. Largely this is similar to the old regime in that clients must be financially assessed to determine their ability to pay before any charge can be made. The main difference is that the Council now has discretion over residential as well as non-residential charging. It is not proposed to change the current rules for residential care as in the current climate this would not be affordable.
- 3.6 The statutory provisions in the Care Act set out what the Council can charge for and what it must consider in assessing whether a service user can afford to pay a charge. The key aspects of this statutory framework are:
- Income and capital should be considered in any assessment
 - Certain sources of income and capital **cannot** be included in any financial assessment, they are essentially protected from a charge (**See Appendices 2 and 3**)
 - Housing costs for rent and council tax (net of any benefits), mortgage payments, ground rent and service charges and disability related expenditure must be taken off income
 - The concept of a 'minimum income guarantee' which is a floor below which a client's income net of housing costs, disability related costs and care charges cannot fall. The rates are set nationally and are equivalent to income support or pension credit plus 25% (**see Appendix 1**).

These rules mean some people do not pay any charge at all.

Certain services cannot be charged for:

- Intermediate care, including reablement,
- Community equipment (aids and minor adaptations)
- Advice, information and guidance including employment support.
- Care and support provided to people with Creutzfeldt-Jacob Disease

- After-care services/support provided under section 117 of the Mental Health Act 1983
 - Any service or part of service which the NHS is under a duty to provide; this includes Continuing Healthcare and the NHS contribution to Registered Nursing Care
 - Assessment of needs and care planning may also not be charged for
- The main services where there is discretion to charge are shown in the following table:

Service	Current Council position	Proposed policy
Residential care	Charged for	Charged for (no change)
Nursing care	Charged for	Charged for (no change)
Home Care in extra care sheltered housing	Charged for	Charged for, using new proposed financial assessment rules
Home care in other settings	Not charged for	Charged for
Day care	Not charged for	Charged for
Transport	Not charged for	Charged for
Meals	Charged for	Charged for (no change)
Telecare (NB Telecare is provided both to clients with assessed needs as well as others below the social care threshold)	Not charged for - and was specifically excluded from charging in the budget consultation, recognising the preventive benefits of this service	Not charged for
Support for carers	Not charged for	Not charged for – in recognition of the major contribution carers make through the support they provide

- 3.7 As set out above, the statutory guidance on charging and financial assessment sets minimum thresholds in relation to the income and capital levels below which people cannot be charged. This leaves some flexibility to the Council to be more generous, which will have differential effects on different people, depending on their circumstances (and this will of course impact on the level of income raised for the council's budget).
- 3.8 Discretions used by other councils were reviewed (See Appendix 9) and from this proposals were developed which contained detailed options for discretions that could be applied, with the aim of particularly protecting people on low incomes.
- 3.9 Discretions considered relating to the assessment of income

- Applying a percentage cap to income that is considered available for charging
- Protecting more housing costs from charging
- Discretions related to the assessment of capital
- Increase the thresholds for capital or reduce the amount of tariff income taken
- Discretions related to allowances
- Set a standard rate for disability expenditure
- Increase the minimum income guarantee

3.10 Discretions considered related to charges

- Charge standard rates for care rather than actual cost
- Apply a cap or maximum level of charges (weekly, annual or lifetime)

3.11 From these options two were considered to meet the Council's aim of protecting people on lower incomes;

- protecting more housing costs from charging; and
- increasing the minimum income guarantee

As such these were taken forward into the public consultation. During the consultation we asked about the specific discretions and any additional expenses or costs that we should consider protecting from charging, or other ways to minimise the impact of charging on vulnerable adults.

Consultation on charging for community-based services

3.12 A consultation was undertaken on how charging and financial assessment should be undertaken. Views were sought on the discretionary areas proposed and on how to mitigate any adverse impacts from charging.

3.13 The consultation period lasted for 11 weeks from 20th June to 4th September and included:

- Accessible information on the proposals for charging made available on the Tower Hamlets website along with a survey, with options to complete online, by post or assisted completion by phone. The helpline was staffed Monday to Friday from 9am to 5pm.
- 2650 Individual letters and an information booklet were sent to all service users identified as being in receipt of at least one of the services it is proposed to charge for. The information booklet contained clear and easily understandable public information and a number of illustrative examples to

demonstrate how charging might affect people in different circumstances. A copy of the information and survey questions is attached as Appendix 4.

- Focus group sessions held with our established service user and provider representative groups: Sessions were arranged for Tower Hamlets Council for Voluntary Services (THCVS) and Real, these sessions were run by the groups themselves at their request.

Group	Number of Attendees
Older People's Reference Group	12
Health Watch	12
Health Watch Mental Health Task Group	14
Have your say group (services users with a learning disability)	9
Carers	14
Beyond barriers (Adults with sight or hearing disability)	18
Pan providers forum	49

- Additional consultation sessions with service users and providers of support for people who use social care (or may in future) were, organised by Tower Hamlets Council for Voluntary Services (THCVS) and Real.
- Booklets sent to day centres and idea stores for display/distribution.
- Consultation session held with the Overview and Scrutiny committee (cross-party) during the public consultation window to ensure the full engagement of Council members. Briefing sessions were also offered to all political groups.
- Information published in the managers' and members' briefings and copies of the information booklet were distributed to all members.
- Briefing sessions held for staff including social workers, carers, occupational therapists, reablement and review teams.
- The information provided aimed to reassure people around common fears and misunderstandings e.g. that people on low incomes are protected and that the value of someone's own home is not taken into account (therefore there is no risk of them having to sell their home to meet charges).

- 3.14 A total of 685 survey responses were received. A full analysis of these and feedback from the events is included at **Appendix 5**, however, the key points are as follows:
- 3.15 Of the 685 responses received, 627 (92%) were from service users, and 58 (8%) from non-service users. The majority of respondents were receiving home care services with a quarter receiving day care.
- 3.16 Overall views were fairly mixed. A total of 383 out of 685 (56%) disagree that the council should ask people to contribute to their care costs, with over a third of respondents strongly disagreeing with its introduction. However, a quarter of people said they were unsure and a fifth (130 respondents) agreed that the council should ask people who can afford it to contribute. In addition, many respondents suggested that protecting those who were least able to pay, and supporting people through the assessment and charging process, would be key mitigations against a potential negative impact.
- 3.17 A small majority (51%) of respondents believe they will be affected by the introduction of charges, although a sizeable minority (40%) felt they would not be affected.
- 3.18 The majority of respondents (62%) believe that additional living costs should be protected when determining charging. Household utilities (gas, electricity and water) were the most common suggestions for additional costs to be protected.
- 3.19 A third of people said they were unsure or had no view about the council's propose to raise the Minimum Income Guarantee, though of those who expressed a view, more people agreed with this proposal than disagreed.
- 3.20 A small majority of respondents (51%) did not believe that the introduction of charges would stop them from asking the council for support This is an area of concern to many people which we will address by ensuring that needs are assessed before a financial assessment is undertaken, social workers understand the assessment process and that although clients will have to have an assessment the result of this for many will be that they will not have to contribute to the cost of their care. All information published about assessments will be clear and easily accessible and will include details about the support that is available. Training sessions have also been offered to voluntary sector organisations to help them to support their users
- 3.21 The majority of respondents who expressed a preference believed that on balance the Council was taking the right approach in protecting people on lower incomes from charging (244 out of 685). A third of respondents were unsure or had no view (242 out of 685) and 161 disagreed.
- 3.22 In addition to the surveys, representations were made by individuals and combined responses were submitted on behalf of the voluntary and community sector by THCVS and on behalf of disabled people by Real. These all received written responses to the issues they raised. TH CVS and Real both had serious concerns about the implementation of charging in principle, but requested additional protections if the Council were to proceed with the policy.

3.23 A particular issue raised by stakeholders and residents was why the council had not consulted on applying a cap to the charges that an individual would have to pay. Some people felt that those who have been able to work and save throughout their lives but have very complex needs would be doubly penalised when they became subject to charging – because they may be required to pay the full costs of their care (due to higher pensions or savings) and have very expensive care packages due to their needs. This was described as akin to a “disability tax”, where people pay more because of their condition. People raised that the Care Act envisaged a cap on care costs, to protect people from significant lifetime costs of care. This is a policy some councils apply e.g. through a maximum weekly charge.

3.24 The issues raised in the combined response from the voluntary and community sector and by individuals were that the council should continue to provide services free at the point of use in order to ensure people are able to access the services they need. Where charging was implemented the proposed timetable of implementation in January 2017 was felt to be too ambitious and would leave the voluntary sector insufficient time to prepare to support clients. Some specific areas were also raised as to how the assessment would be undertaken and how guidance and information would be disseminated. In order to address these concerns the following actions will be taken:

- To mitigate the potential impact on clients and those who may be requested to support them through the assessment process, the Council will ensure that the financial assessment process is as straightforward as possible. The Council will seek to use light touch financial assessments where possible using information already held. This will reduce the number of people who need to have a full financial assessment.
- The Council has prepared communications which will provide more detail on the assessment process and how people will be supported through it. Service users and families will be informed of the independent support that is available to them. The Council will also aim to maximize benefit entitlement by providing advice and support about benefits people may be entitled to, where relevant.
- Training will be provided to support groups who request it to help them assist their clients.
- Implementation will not take place in January 2017 as originally planned, but by the start of the new financial year in April 2017. This will give individuals more time to prepare for new financial obligations and organisations more time to provide the necessary information, advice and support to their clients.
- As part of the budget proposal agreed last year, the Council will invest in staff to carry out the individual financial assessments and provide information/support where required to reassure people and support them through the process.

Modelling the Impact of Charging

3.25 A model has been developed to assist understanding of the impact of the discretion options being considered by the Council. The purpose of modelling is to inform an understanding of what *could* happen – not what *will* happen. It is therefore illustrative. It is difficult to accurately predict the impact as the cohort of service users affected have never had their income assessed in this way. Assumptions are used to facilitate modelling and consequently, the income generated following the introduction of charges may be higher or lower than projected in the model.

3.26 The total income raised from charging is calculated as follows:

Total Number of Clients who pay a charge	x (multiplied by)	Charges that are paid	= (equals)	Total income raised
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3.27 The Council therefore needs to understand how many clients will be charged, and how much they will each have to pay.

3.28 Not everyone will be charged. **Only those who can afford to pay will be charged.**

3.29 Clients will receive a Financial Assessment which determines how much they can afford to pay in accordance with guidelines published by Government plus the local discretions outlined in this paper. The guidelines set out how the Financial Assessment should be conducted, and specifically what client income, capital and expenditure must be considered, and disregarded (not included in the calculation of the charge). Some key points to note include:-

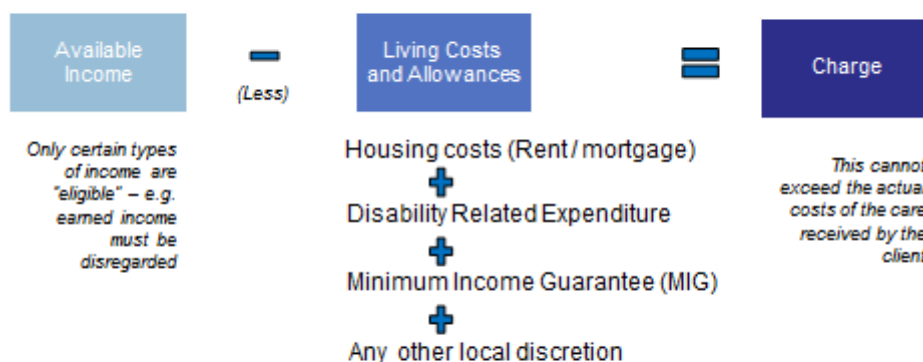
- Only the income and capital of the client is considered. Joint income is apportioned, usually 50/50.
- All earned income (e.g. from employment) is disregarded.
- State benefits are included as income, but some specific benefits are disregarded in full or in part.
- A client's income must not fall below a specified level after charges have been deducted. This is the Minimum Income Guarantee after charges to cover costs like food, utilities and insurance.
- Housing costs (rent, mortgage, council tax and service charges) must be deducted as expenditure.
- Where disability-related benefits are taken into account, the client must keep enough benefit to pay for necessary disability-related expenditure to meet any needs which are not being met by the local authority; these expenses must be taken off income.
- The client's main home is disregarded as capital.
- There are minimum and maximum thresholds for capital. Any capital below the minimum threshold (currently £14,250) is disregarded. If the client has

capital exceeding the upper threshold (currently £23,250) they are deemed to be able to afford the full cost of their care.

- The client cannot be charged more than the actual cost of their care.

3.30 The guidance identifies the areas in which the local authority has discretion, and is clear in stating that the “overarching principle is that people should only be required to pay what they can afford”.

3.31 The charge that a client pays can be summarised as illustrated below.



3.32 The illustration also confirms that every financial assessment is unique to the circumstances of that individual.

3.33 We will continue to match against income data that has been collected as part of Housing benefits assessments, where this is not held we will check directly with the DWP (Department of Work and Pensions) in order to help us implement charging in a simple and straightforward way. The analysis of this data so far has been used to test our income estimates as outlined in this report. The model will be updated and the actual position will be reported in future budget monitoring reports.

3.34 Appendix 6 sets out the details of the modelling undertaken to date. The key points arising from this modelling are as follows:-

- Only those who have the highest level of disability benefit, private pensions and / or significant sums of capital are likely to be charged.
- The model shows that at lower income levels, deductions for housing, disability related expenditure and living costs are sufficient to exclude clients from charges.
- The allowance for utilities benefits all users, and therefore is not targeted at those who may need it the most. Consequently, the financial cost to the Council from income forgone is the greatest. Increasing the Minimum Income Guarantee benefits those with the lowest benefit incomes because the difference between this and the corresponding Statutory Minimum Income Guarantee are relatively greater. It therefore meets the Council’s policy aim of protecting those with the lowest incomes.
- The weekly cap on care charges only benefits those who would pay the full cost of care which exceeded this amount (i.e. those with more expensive care

packages), or if they could afford to pay more than £250 per week. This would be a small number of people but those with particularly high needs.

After applying the local discretions, the total income the council would raise could range from £969,632 to £4,533,520. The lowest amount of income raised is based on an assumption that all clients have a low income whilst the highest figure is based on the converse assumption that all clients have a high income. In both cases we have also assumed that 5% of clients will pay a full charge. In reality there will be a mixture of different levels of income and it is expected that due to local demographics and income levels the income is likely to be towards the lower end of this range.

To gain a better understanding of the likely levels of income potentially available to use for charging, a data matching exercise was undertaken between social care and housing benefit administration information held by the Council. This returned a sample of 754 community based care clients in receipt of housing benefit. As clients are in receipt of benefit, this will not fully represent the whole client group, however, it did provide the following insight:-

- 42% were in receipt of a disability benefit, and of these, almost half were in receipt of the highest level of disability benefit
- 9% were in receipt of a personal pension with monthly income ranging from £6.26 to £701.01
- The receipt of disability benefit (which can be counted as income for charging) is a significant factor in determining those that may potentially face a charge

3.3 Deferred payments for residential and nursing care

3.35 Deferred payments enable residents to postpone payments for residential or nursing care. The local authority takes on these payments, and then recovers costs at a later date. Typically, deferred payments are taken against the value of a property. They enable residents to keep their homes for a period of time, rather than having to sell them straight away in order to pay for residential or nursing care.

3.36 The Care Act 2014 introduced a new statutory regime for deferring payments for residential and nursing care. The statutory provisions in the Care Act set out how the Council must act in relation to deferred payments, and where discretion can be exercised. The key aspects of the statutory framework for deferred payments are:

- During the first 12 weeks of a permanent stay in residential or nursing care, the capital value of the person's property is disregarded.
- The local authority will seek adequate security against the deferred amount. Typically, the local authority will gain a legal "charge" against a property.
- The amount that can be deferred is based on the value of the property (or equivalent), minus 10 per cent, minus the lower capital limit, minus any encumbrance secured on it. The lower capital limit is a nationally-

set rate: It is subject to change, but is currently £14,250. An encumbrance refers to an outstanding debt in relation to the property – typically a mortgage. The local authority will undertake regular valuations of the property being used in the deferred payment.

3.37 The Care Act 2014 also introduces a number of discretionary areas in relation to deferred payments. Key amongst these are:

- Discretion to charge interest on deferred payments up to a maximum amount.
- Discretion to charge administration fees on deferred payments.
- Discretion to offer deferred payments on “top up” amounts.
- Discretion as to how much rental income to disregard when calculating how much a person needs to pay towards the cost of care (in cases where a person wishes to rent out their property).

3.38 Consideration has been given to these discretions taking into account the likely impact of each on families and also the financial implications and risks for the Council. It is therefore proposed to include the following discretions in the policy:

- Charging of interest on deferred payments only from the point at which the person living in residential/nursing care dies
- Charging administration fees to cover the actual costs to the Council of setting up and administering the Deferred Payment Agreement
- Disregarding 10% of rental income to allow properties to be maintained in a good state of repair

4. COMMENTS OF THE CHIEF FINANCE OFFICER

4.1 The financial implications of the proposed community care services charging policy was reported as part of the budget report to Cabinet on 2nd February 2016 and is reflected in the Council’s medium term financial strategy. Its implementation was estimated to provide a net annual income of £1.080m.

4.2 The recommended option, following consultation, is based on a Minimum Income Guarantee (MIG) of £151.45 for all service users other than those where the government’s MIG is higher, together with an additional £15 per week (£780 per annum) utility allowance for all users and a cap on care charges of £250 a week to limit the maximum amount that could be charged to an individual user. In most other respects the proposal reflects the national scheme guidance.

4.3 Whilst the recommended level of the MIG has been derived from components of the national scheme as described in paragraph 1.7 there is no overriding basis for it to be set at this level. In particular it should be noted that the national MIG is considered already to include recognition of utility costs – this

is set out under the Living Costs and Allowances within Appendix 6 and states:

Local Authority Circular LAC(DH)(2016)2 sets out the (Statutory) Minimum Income Guarantee (MIG). This is the amount of income which people receiving local authority arranged care and support other than in a care home need to retain to cover their living costs, which are defined as costs such as rent food and utilities. This is not a single figure and the value of this is based on age, family, and personal circumstances stated in the circular.

- 4.4 The modelling which has been undertaken in order to estimate the financial implications of the recommended approach is based on a number of assumptions which are set out in Appendix 6 and has been undertaken in the absence of any detailed individual financial assessments; it must be treated therefore with a significant degree of caution. However the key messages for Members, which are summarised in the tables in Appendix 6 to this report, are that:
- At the medium level of assumed client income, the proposed approach would generate an estimated income of £0.970m;
 - At the medium level of assumed client income the income foregone from adopting a local approach above that of the base national scheme amounts to £0.600m per annum - in particular this reflects the recommendation to apply a discretionary £15 per week allowance for utilities. At higher levels this loss could be as much as £1.9m.
- 4.5 There are however a very wide range of potential outcomes depending in particular on the assumptions about levels of client income. These potential scenarios can be seen in the tables in Appendix 6; the most significant components are the assumptions around client levels of income. The range of potential income to be generated is estimated between £0.970m at the lower income level and £4.534m at the higher income level
- 4.6 The implementation timetable indicates that charging is expected to commence in April 2017. This will result in no additional income in the first year and consequently adds a pressure on the remaining Adults' Service budget for 2016/17.
- 4.7 Deferred payment arrangements are an available option already established for the payment of residential and nursing care. The Council has not however, entered into any deferred payment agreements in the past two years. The recommendation to apply rental income allowances, and forego the discretion to charge interest will improve their attraction as a safe and affordable payment alternative.
- 4.8 There is a further cost to the Council of the deferred payment approach which, currently amounts to an estimated c2% compound interest cost per annum – the financial cost will clearly depend on take up of the scheme. It is recommended that once the deferred payment becomes payable (normally

following the death of the client) the interest cost becomes payable from that point.

- 4.9 The ability to charge administration fees will ensure that the Council is compensated for the additional resources required to operate the scheme.
- 4.10 A further consideration is the extent to which any charges due are actually collected and, as a result, the need to apply the Council's income collection policy and establish an appropriate bad debt provision, the establishment of a bad debt provision will further reduce the estimated income generated.

5. LEGAL COMMENTS

- 5.1 Most provisions of the Care Act 2014 ("the Act") came into force on 1st April 2015 and replaced the existing duties and powers in respect of assessing and meeting an individual's eligible care needs. Local authorities previously had a duty to charge for residential care in accordance with regulations and statutory guidance; however section 14 of the Act introduced a power, rather than the previous duty, to charge for residential care in certain circumstances. The previous power to charge for non-residential care remains, subject to the new regulations and statutory guidance.
- 5.2 Section 8 of the Act provides that those eligible needs may be met in a number of ways, including accommodation in a care home. Section 14(1)(a) of the Act provides that a local authority may make a charge for meeting needs under the Act, whether these needs are met pursuant to the Council's duty or power to meet those needs. This power to charge applies to all types of care provision, whether through the provision of residential care or domiciliary care, though this can only cover the cost incurred by the local authority in meeting those needs (section 14(4)). Sections 14(6)-(8) provide that regulations may prohibit a local authority from making a charge in specified circumstances; and set an amount beyond which a person's income cannot fall after paying any charges.
- 5.3 The Care and Support (Charging and Assessment of Resources) Regulations 2014, ("the 2014 Regulations") were made under section 14(5)-(8) and section 17 of the Act. Part 2 of the 2014 Regulations governs the power of local authorities to charge for care and support, and identifies services which cannot be charged for. Regulation 6 specifies the personal expenses allowance for residents provided with accommodation in a care home. Regulation 7 sets out the minimum income guarantee for adults and carers whose needs are being met other than in a care home.
- 5.4 Part 3 of the Regulations is concerned with the assessment of financial resources. Regulation 12 of the Regulations prohibits the Council from paying towards the cost of care home accommodation for an adult whose financial resources exceed the capital limit. However, no such prohibition applies to the cost of care provided other than in a care home. The upper capital limit is currently set at £23,250 and the lower capital limit, below which the Council cannot take capital into account when undertaking a financial assessment, is currently £14,250.

5.5 Chapter 8 of the Care and Support Guidance released in October 2014 ('the Guidance') provides guidelines on charging and financial assessments under sections 14, 17 and 69-70 of the Act and associated regulations. The Guidance sets out in paragraph 8.2 the principles that the Council should take into account when making decisions on charging. The Guidance has subsequently been updated, most recently on 9th May 2016.

5.6 The Guidance sets out that the Council must consider the need to meet daily living costs, and describes the Minimum Income Guarantee and treatment of disability benefits. The Council has some flexibility in respect of setting charges, for example the flexibility to disregard certain sources of income, set maximum charges, or charge a person a percentage of disposable income.

5.7 Paragraph 8.46 of the Guidance specifically refers to the need to consult before exercising the discretion to charge for non-care home fees. It states that:-

"Local authorities should consult people with care and support needs when deciding how to exercise this discretion."

5.8 Paragraph 8.46 then goes on to set out various factors that a local authority should consider when deciding how to exercise the discretion, including how to protect a person's income, whether to set a maximum percentage of disposable income to be taken into account in charges and whether it is appropriate to set a maximum charge.

Consultation

5.9 Section 14 of the Act does not set out an express statutory duty to consult before exercising the power to charge for either residential or non-residential care. However, section 78 of the Act requires that local authorities act compatibly with the Guidance unless they have clear reasons for not doing so.

5.10 Paragraphs 8.45 and 8.46 of the Guidance require the Council to have a policy on how it wishes to exercise the discretion to charge for non-residential care; and to consult people with care and support needs when deciding how to exercise the discretion. These do not set out a specific expectation in respect of consulting on charging for residential care.

5.11 However, chapter 23 of the Guidance sets out the expectations for transitioning to the new legal framework. Para 23.14 refers to financial assessment and states:

"Local authorities should review the operation of their local charging regime ... should consider the need to consult with their local population, but should not be expected to consult formally if their approach has not changed as a result of the Act."

5.12 Any consultation will be required to:

- a. Be proportionate to the changes proposed, bearing in mind the impact on those potentially affected and the extent to which these may be controversial
- b. Give sufficient reasons for any proposal to permit intelligent consideration and response
- c. Set out the realistic alternatives to the policy chosen and the reasons these have not been selected in sufficient detail to enable consultees to make proper representations on the issue
- d. It should be at a time when proposals are still at a formative stage
- e. Provide a reasonable period for consideration and response, allowing that these policies will need to be in place by 1 April 2015. A 4 week consultation is likely to be appropriate.
- f. The product of consultation must be conscientiously taken into account and may require inviting and considering views about possible alternatives, including other areas in which savings may be made.
- g. Give due regard to the Council's equality duties.

5.13 Having regard to (f) above, the consultation took place between 20th June and 4th September 2016 and Appendix 5 contains a Community Care Charging Consultation Feedback Briefing Note. Paragraphs 3.12 to 3.22 of the report also detail the Consultation undertaken. These need to be fully considered before any decisions are made.

Equality Duty

5.14 The Equality Act 2010 requires the council in the exercise of its functions to have due regard to the need to avoid discrimination and other unlawful conduct under the Act, the need to promote equality of opportunity and the need to foster good relations between people who share a protected characteristic and those who do not (the public sector equality duty). A proportionate level of equality analysis is required in order to enable the Council properly discharge this duty and in some cases, such as where savings are made which impact on individuals with care needs, consultation will be required to inform the equality analysis. The duty to act fairly applies and this may require a greater deal of specificity when consulting people who are economically disadvantaged.

5.15 The obligation on the Council is that it should take all necessary steps to ensure that it properly understands how the change to services affects people who have protected characteristics. In the circumstances not only should the Council perform an Equality Analysis prior to any changes being made but it should consider consultation with affected services users if it considers it necessary to show that it has taken due regard of the impact on those Service Users. The duty is for the Council to take appropriate steps to fully understand the needs of the people affected by the changes. This also includes the families and carers of the individuals with care needs, who may also be affected.

6. ONE TOWER HAMLETS CONSIDERATIONS

6.1 Equalities impact assessment included as Appendix 7.

7. BEST VALUE (BV) IMPLICATIONS

- 7.1 This report concerns the raising of charges for adult social care as part of the Council's income approach and Medium Term Financial Strategy.

8. SUSTAINABLE ACTION FOR A GREENER ENVIRONMENT

- 8.1 There are no direct implications around environmental issues arising from this report.

9. RISK MANAGEMENT IMPLICATIONS

- 9.1 Charging for community adult social care is in place across the country aside one other local authority and there are tried and tested ways to implement charging safely and with regard to risks for individual clients and the Council. The impact of charging on individuals is assessed throughout the financial assessment process and on an ongoing basis through reviews. The charging policy makes no change to the duties on the Council to assess and support those with needs to be met under the Care Act 2014. Monitoring the take-up of services through the implementation of charging will be undertaken and reviewed.

10. CRIME AND DISORDER REDUCTION IMPLICATIONS

- 10.1 There are no direct implications around crime and disorder reduction arising from this report.

11. SAFEGUARDING IMPLICATIONS

- 11.1 Clients could refrain from accessing services if they have to contribute towards them, however, the needs assessment and safeguarding procedures will be carried out irrespective of charging being applied.

Experience of charging in other Councils has shown that service users continue to access the service they require

In order to ensure that service users continue to access service we will undertake an assessment of needs before a financial assessment thus minimising the likelihood that services will not be accessed due to concerns around the cost of those services.

Social work Staff and voluntary sector organisations that provide support and advocacy to vulnerable adults will be trained to support vulnerable adults through the charging process. We will also ensure there are clear and simple procedures in place for them to raise any concerns

The charging policy specifies that services will not be withdrawn where there is an assessed need so service users will not face losing services.

APPENDIX 1

Minimum Income guarantees as at 6 April 2016

These weekly amounts are specified by the Government as the minimum amount of income a service user can be left with after all charges. The Council could increase these amounts in any local policy to protect more of people's income or capital, but cannot go below them.

- £83.65 per week in respect of each child in the household that the person is responsible for;

PLUS

- *For single people:*
 - 18-25 years old, £72.40
 - 25 to pension age- £91.40
 - Pension age- £189
 - Lone parents over 18- £91.40
- *For each member of a couple:*
 - Aged 18 to pension age- £71.80
 - Pension age- £144.30

PLUS

- *For single people:*
 - Disability premium where entitled-£40.35
 - Enhanced disability premium where entitled- £19.70
- *For members of a couple:*
 - Disability premium where entitled- £28.75
 - Enhanced disability premium where entitled- £14.15

PLUS

- Carer premium where entitled- £43.25

APPENDIX 2- Statutory Capital Disregards

Regulations specific that the capital listed below **must** be ignored in the financial assessment. The Council **may** ignore (disregard) other capital such as savings as well.

- A person's only or main home where the person is receiving care in a setting that is not a care home, or if their stay in a care home is temporary.
- A person's main or only home for 12 weeks after they move into a care home permanently
- A property occupied as their only or main home by the persons partner, or close relative
- The surrender value of any
 - Life insurance policy
 - Annuity
- Payments of training bonuses of up to £200
- Payments in kind from a charity
- Any personal possessions such as paintings or antiques, unless they were purchased with the intention of reducing capital in order to avoid care and support charges
- Any capital which is to be treated as income or student loans
- Any payment that may be derived from:
 - The Macfarlane Trust
 - The Macfarlane (Special Payments) Trust
 - The MacFarlane (Special Payment) (no2) Trust
 - The Caxton Foundation
 - The Fund (payments to non-haemophiliacs infected with HIV)
 - Eileen Trust
 - MFET Limited
 - Independent Living Fund (2006)
 - Skipton Fund
 - London Bombings Relief charitable Fund
- The value of funds held in trust or administered by a court which derive from a payment for personal injury to the person. For example, the vaccine damage and criminal injuries compensation funds
- The value of a right to receive:
 - Income under an annuity
 - Outstanding instalments under an agreement to repay a capital sum
 - Payment under a trust where the funds derive from personal injury
 - Income under a life interest or a life-rent
 - Income (including earnings) payable in a country outside the UK which cannot be transferred to the UK
 - An occupational pension
 - Any rent (although the income may not be disregarded.)
- Capital derived from an award of damages for personal injury which is administered by a court or which can only be disposed of by a court order or direction

- The value of a right to receive any income under an annuity purchased pursuant to any agreement or court order to make payments in consequence of personal injury and any surrender value of such an annuity
- Periodic payments in consequence of personal injury pursuant to a court order or agreement to the extent that they are not a payment of income and are treated as income (and disregarded in the calculation of income.)
- Any Social Fund payment
- Refund of tax on interest on a loan which was obtained to acquire an interest in a home or repairs or improvements to the home
- Any capital resources which the person has no rights to as yet, but which will come into his possession at a later date, for example on reaching a certain age
- Payments from the Department of Work and Pensions to compensate for the loss of entitlement to Housing Benefit or Housing Benefit Supplement
- The amount of any bank charges or commission paid to convert capital from foreign currency to sterling
- Payments to jurors or witnesses for court attendance (but not compensation for loss of earnings or benefit)
- Community charge rebate/ council tax rebate
- Money deposited with a Housing Association as a condition of occupying a dwelling
- Any Child Support Maintenance Payment
- The value of any ex- gratia payments made on or after 1st February 2001 by the Secretary of State in consequence of a person's or person's spouse or civil partner's imprisonment or internment by the Japanese during the Second World War
- Any payment made by a local authority under the Adoption and Children Act 2002 (under section 2(b)(b) or 3 of this act)
- The value of any ex-gratia payments from the Skipton Fund made by the Secretary of State for Health to people infected with Hepatitis C as a result of NHS treatment with blood or blood products
- Payments made under a trust established out of funds provided by the Secretary of State for Health in respect of persons suffering from variant Creutzfeldt- Jakob disease to the victim or their partner (at the time of death of the victim)
- Any payments under Section 2,3, or 7 of the Age-Related Payments Act 2004 or Age Related Payments Regulations 2005 (SI No 1983)
- Any payments made under section 63 (6) (b) of the Health Services and Public Health Act 1968 to a person to meet childcare costs where he or she is undertaking instruction connected with the health service by virtue of arrangements made under that section
- Any payment made in accordance with regulations under Section 14F of the Children Act 1989 to a resident who is a prospective special guardian or special guardian, whether income or capital

APPENDIX 3

Statutory Income Disregards

Regulations specific that the income sources listed below must be ignored in the financial assessment. The Council *may* ignore (disregard) other sources of income as well, with exceptions listed at the end of this appendix.

- Employed and self- employed earnings
- Direct Payments
- Guaranteed Income Payments made to veterans under the Armed Forces Compensation Scheme
- The mobility component of Disability Living Allowance and Mobility Supplement
- The mobility component of Personal Independence Payments and Mobility Supplement
- Armed forces Independence Payments and Mobility Supplement
- Child Support Maintenance Payments and Child Benefit
- Child Tax Credit
- Council Tax Reduction Schemes where this involves payment to the person
- Christmas bonus
- Dependency increases paid with certain benefits
- Discretionary Trust
- Gallantry awards
- Guardian's Allowance
- Income frozen abroad
- Income in kind
- Pensioners Christmas payments
- Personal injury trust, including those administered by a Court
- Resettlement benefit
- Savings credit disregard
- Social Fund payments (including winter fuel payments)
- War widows and widowers special payments
- Any payments received as a holder of the Victoria Cross, George Cross or equivalent
- Any grants or loans paid for the purposes of education
- Payments made in relation to training for employment
- Any payment from:
 - Macfarlane Trust
 - Macfarlane (Special Payments) Trust
 - Macfarlane (Special Payment) (No 2) Trust
 - Caxton Foundation
 - The Fund (payments to non-hoemophiliacs infected with HIV)
 - Eileen Trust
 - MFET Limited
 - Independent Living Fund (2006)

-
- Skipton Fund
- London Bombings Relief charitable Fund
- Charitable and voluntary payments that are made regularly
- The first £10 per week of War Widows and War Widowers pension, survivors Guaranteed Income Payments from the Armed Forces Compensation Scheme, Civilian War Injury pension, War Disablement pension and payments to victims of National Socialist persecution (paid under German or Austrian law.)
- Part of savings credits under certain circumstances.

Income that must be taken into account

The following income sources *must* be taken into account- the Council cannot decide to ignore them in financial assessments:

- Attendance allowance, including Constant Attendance Allowance and Exceptionally Severe Disablement Allowance
- Bereavement Allowance
- Carers Allowance
- Disability Living Allowance (Care Component)
- Employment and Support Allowance or the benefits this replaces such as Severe Disablement Allowance and Incapacity Benefit
- Income Support
- Industrial Injuries Disablement Benefit or equivalent benefits
- Jobseeker's Allowance
- Maternity Allowance
- Pension Credit
- Personal Independence Payment (Daily Living Component)
- State Pension
- Universal Credit
- Working Tax Credit

APPENDIX 4 – Consultation leaflet on charging for community-based services

What is this leaflet about?

A decision has been made to charge for some of our adult social care services that are free at the moment. We are asking you about how we should bring this change in.

Why is the Council doing this?

The amount of money that the Council is being given by the Government is going down every year. Also, the number of people needing our support is increasing.

We need to make sure that we can pay for support for people that *need* it. So, we are asking those that can afford it to pay something towards the cost of their care. Most councils already do this. Tower Hamlets is one of only two in England that do not currently charge for care services that people get in their own home.

The law says we have to work out how much people can pay by deciding if they can afford it. The Council is thinking about how it might make this decision.

We need to make sure that nobody is asked to pay if they cannot afford to, The Mayor particularly wants to protect people on lower incomes so we are looking at ways we can do this |

We also want to make sure that nobody is put off coming to us for help because they might be asked to pay towards their care.

When we look at what people can afford to pay, we will also check if there are benefits that people are eligible for, to make sure everyone is getting all the income they are entitled to, to help pay for care and other costs

Who is affected?

Anyone who gets any of these services may be affected.

- Home care for people who do not live in extra care sheltered housing
- Day care (including the cost of transport for getting to and from day care)

We are **not** thinking about introducing any charges for the following services:

- Support to carers
- Telecare
- Reablement
- Equipment and adaptations
- Aftercare provided under the Mental Health Act

If you get any of these services, then you will **not** be affected by the change. The services will carry on being free of charge.

Who already pays?

People getting the following services already pay a charge if they can afford to:

- People in residential or nursing care
- People getting home care in extra care sheltered housing

A set charge is already made for meals on wheels. We are not thinking about changing this.

How will the Council work out if I can afford to pay?

By law, the Council has to look at the amount of money you get every week, and the amount of capital you have. We add up this amount of money and take off your housing costs

For some people we will also take off your disability related costs. We will then work out how much money you have left.

If the amount of money you have left is higher than the minimum amount of income the Government says you need to live on, you will be asked to pay towards the cost of your care.

If the money you have left is **less than the minimum amount of income the Government says you need to live on**, you will not be asked to pay.

If the money you have left is **more than the minimum amount of income the Government says you need to live on**, then we will ask you to contribute any excess towards your total personal budget or care cost. The maximum you could be asked to contribute would be either your total personal budget or your care costs.

If you have savings or other capital over £23,250 we will ask you to pay the full cost of your service. Savings or capital includes money in Post Office, bank or building society accounts, shares or other investments. It does not include the value of the home you live in or your possessions. If you own a second property it could include this.

Any savings under £14,250 are ignored and will not be used to work out how much you will pay

If you have **between £14,250 and £23,250** in savings or other assets we will add £1 for every £250 to your weekly income.

Example

If you have £20,000 in savings or other assets, the Council will add £23 to your weekly income.

How this is worked out:

- The first £14,250 is ignored

- The rest of your savings are £5,750
- £5,750 divided by 250 is £23

What income do you take into account when calculating if I have to pay?

We will take account of most of your income from benefits and pensions we also take into account benefits you receive to help towards disability costs including Attendance Allowance, Disability Living Allowance care component.

Some of your income is ignored. This includes:

- Any earnings you get from a job
- The mobility component of Disability living allowance or Personal Independence Payment
- The first £10 per week of War Widows or War Widowers pensions
- Housing Benefit
- Council Tax Benefit
- Child Benefit
- Christmas Bonus payments
- Social Fund Payments
- Winter fuel payments

What savings and assets do you take into account?

We will include in our assessment any savings or other assets that you could use to help you to pay for your care. Savings or capital includes money in Post Office, bank or building society accounts, shares or other investments.

It does not include the value of the home you live in or your possessions. If you own a second property it could include this

If you are living in residential or nursing care, this includes the value of your home if you own it. We ignore the value of your home if you live in it.

What housing costs will you take off my income?

The housing costs we will take off your income are:

- Mortgage payments
- Rent
- Ground rent
- Council tax
- Service charges

We would like to know as part of our consultation whether there are other housing related costs that we should take off your income

Disability Related Expenditure

If you are getting a disability benefit and we include this in your income we have to take any disability related expenditure off the amount that you can afford to pay. This might include for example Telecare, any special clothing or special equipment that you are paying for from your income.

The Council will work out your disability related expenditure as part of your financial assessment.

What is the minimum amount the Government says I need to live on?

The amounts vary depending on your circumstances. They are the same as you would get if you were getting Income Support, plus 25%.

The weekly amounts for 2016-17 are:

- £72.40 for adults under 25 years old
- £91.40 for adults over 25 but less than pension age
- £189 for people over pension age

There are additional amounts for some people. These include:

- If you have children, £83.65 for each child
- £40.35 if you get disability benefits
- £43.25 if you are a carer and entitled to a carer premium

Because the Council wants to make sure that everybody is left with enough money to live on after any charges that we make, we are thinking about increasing the minimum amount of income the Government says you need to live on.

The changes we are thinking about are:

- **Increasing the minimum amount of income the Government says you need to live on so there is** one rate for everyone under pension age. This would have the effect of increasing the amount for all single people under pension age to £151.45 per week. The rates that the Government sets are currently £72.40 for under 25 year olds and £91.40 for over 25s.

We would like your feedback on this idea.

Have you looked at other ways of protecting people on lower incomes?

We want to make sure we are protecting those on lower incomes. We have considered whether a policy which only considers a percentage of income when

working out how much you have to pay, or increasing the minimum amount of income the Government says you need to live on would be the best way to do this. We think that increasing the minimum amount of income the Government says you need to live on is the most effective way of making sure that everybody is left with a reasonable amount of money after charging

The Financial Assessment Process

To work out how much you have to pay, the council will need to carry out a financial assessment.

We will be employing financial assessment officers who will work with you and your social worker to carry out this assessment. This will involve taking details from you about your income and savings. In most cases we will need to see evidence of the amounts you get, and how much you spend on housing costs and disability related expenditure. We are considering how we could work with other services, for example our benefits department, to make this process easier.

As part of the process we will check if there are benefits that you might be entitled to but are not getting, and will help you to get these benefits.

Examples of how this might affect you

Example 1

John is a single man aged 23 with a learning disability who gets Employment Support Allowance of £102.15 a week and has savings of £2000

The council pays £150 a week for John to have homecare
The whole of John's income from Employment Support Allowance is used to work out how much he should pay

His savings are below £14,250 so we do not count any of this

We then take off the amount the Government says he needs to live on which is £72.40 .This means John would pay £29.75 of the cost of his care;

$£102.15 - 72.40 = £29.75$

If the Council increased the minimum amount John needs to live on to £151.40, John would not have to pay any charges for the care that he receives. This is because his Employment Support Allowance is less than this new minimum amount.

Example 2

Tina is a disabled single person aged 35 and receives support for day care which costs the Council £110 a week.

Tina has a part time job where she earns £100 a week. She also receives £109.30 Employment Support Allowance per week and has £2000 in savings given to her by her grandmother.

After a Financial Assessment, we ask Tina to contribute £17.90 per week to her care.

This is how we worked this out.

We did not include the income from her part time job and her savings. This is because all earned income, and savings below £14,250 are not included in the assessment.

This leaves the £109.30 Tina receives in Employment Support Allowance.

The Government says that the minimum amount Tina needs to live on is £91.40 per week. So;

$$£109.30 - £91.40 = £17.90$$

If we increased the minimum amount Tina needs to live on to £151.40, Tina would not have to pay any charges for the care that she receives. This is because her Employment Support Allowance is less than this new minimum amount.

Example 3

Mavis is 75 years old, she gets state pension and pension credit which gives her a total weekly income of £155.60, and she has no savings but owns the house she lives in.

We pay £75 a week for Mavis to receive day care and £25 a week for transport to and from day care giving a total of £100 a week

The whole of Mavis's income from her state pension and pension credit is used to work out how much she should pay

The value of Mavis's house is not included as this is where she lives

The Government says she needs a minimum of £189 to live on. As this is more than Mavis's income she would not pay anything towards the cost of her care

If we increased the minimum amount Mavis needs to live on to £151.40 this would not affect Mavis because the minimum amount we have already used is £189

Example 4

Eric aged 80 has a state pension, a private pension and pensions saving credit which gives him a total weekly income of £243.55. He has savings of £40,000

The council pays £100 a week for homecare. As he has £40,000 in savings which is more than the upper limit on savings, the government says he can afford to pay the full cost of his care. This means Eric will pay £100 a week for his care. Once his savings go below £24,250 we would look again at what he could afford to pay.

How many people will have to pay?

We do not know yet how many people will have to pay. We want only those who can afford to pay to do so which is why we are asking you about how you think the scheme should work

When will people start paying?

We expect that this will start in January 2017

When will I know if I have to start paying?

First you will need to know how we are going to calculate payments, to see if this might affect you. Secondly, you will need to have a conversation with a member of staff from the Council to see if you will have to start paying and how much this will be. Staff from the Council will contact you to discuss this, but it is not likely to be before October 2016

What happens next?

At this stage, we are collecting people's views on what calculation to use to decide who should pay for care. We are going to look at all this information and make a decision about how charging will work. We expect that the changes will come into effect in January 2017

Who can I contact if I am worried about these changes?

We will have staff available to talk to you about any concerns you may have please phone xxx between the hours of xxx and xxxx

Survey Questions

1. Overall, to what extent do you agree that the Council should ask people that can afford to pay for a contribution to their care costs? (Response on 5 point scale)
2. Having read the Council's leaflet, do you think that you will be affected by the introduction of charges? (Y/N)
3. To what extent do you agree with the Council's idea of increasing the minimum amount of income that you should be left with after charges to a level which is higher than the Government says you need to live on? (Response on 5 point scale)
4. Are there any other housing costs apart from Mortgage payments, rent, ground rent, Council tax and service charges that you think we should protect from charges? This could be things like gas/electricity or water charges (Y/N response)
5. If yes, please tell us what these are (free text response)
6. Do you think that the introduction of charges will stop you from asking the Council for support? (Y/N)
7. We want to get the balance right between raising income to make sure there is enough money to pay for social care and protecting people on lower incomes from charging. To what extent do you agree with our approach?
8. Is there anything else you want to say about the council's ideas for charging? (Free text)
9. Have you got any concerns about how charging will be introduced? (free format text)

(Questions will also include the standard set of equalities questions and questions to identify whether the respondent is a recipient of care services.)

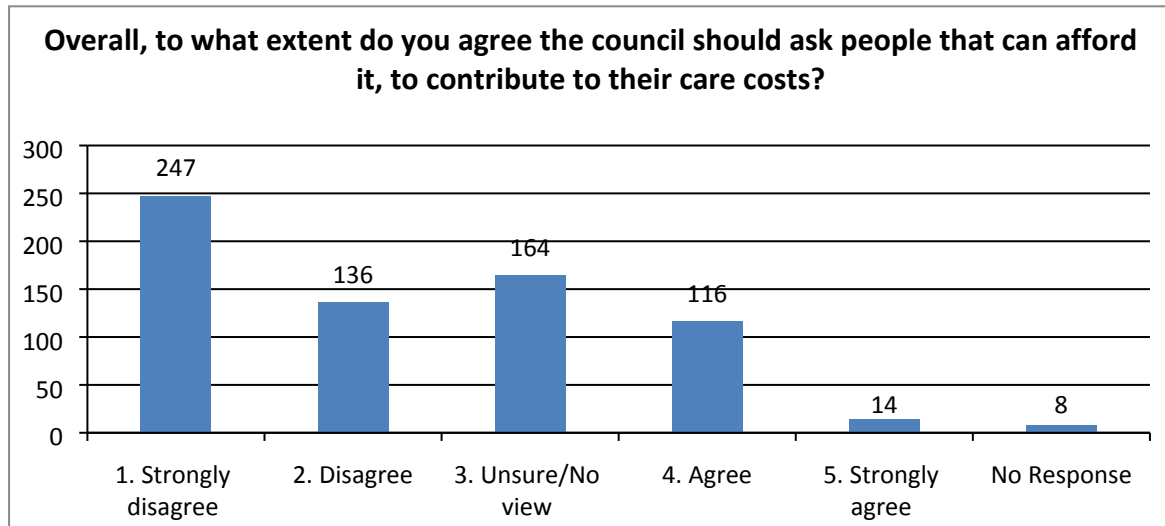
APPENDIX 5 Community Care Charging Consultation Feedback Analysis

Responses as at 9am Friday 16 September 2016

		Total	Percentage of Total
Number of Responses		685	
Responses from			
	Service Users	627	92%
	Non Service Users	58	8%
		Total	Percentage of Service Users
Services Used			
	Home Care	492	78%
	Support in a day centre	154	25%
	Transport	169	27%
	Money to pay for care through a personal budget	139	22%

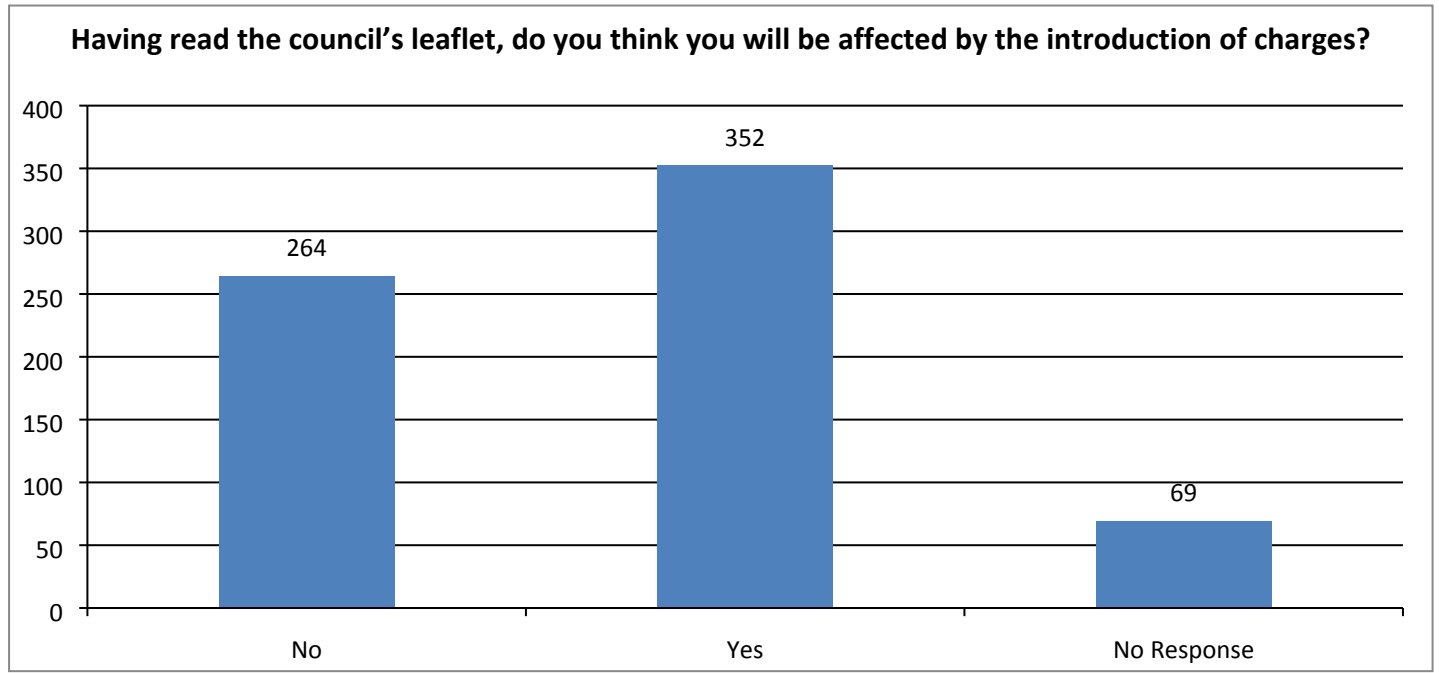
1. Overall, to what extent do you agree the council should ask people that can afford it, to contribute to their care costs?

Response	Number of Responses	% of All Responses	Net Response
1. Strongly disagree	247	36%	Negative
2. Disagree	136	20%	383
3. Unsure/No view	164	24%	Positive
4. Agree	116	17%	130
5. Strongly agree	14	2%	
No Response	8	1%	Net
Grand Total	685	100%	-253



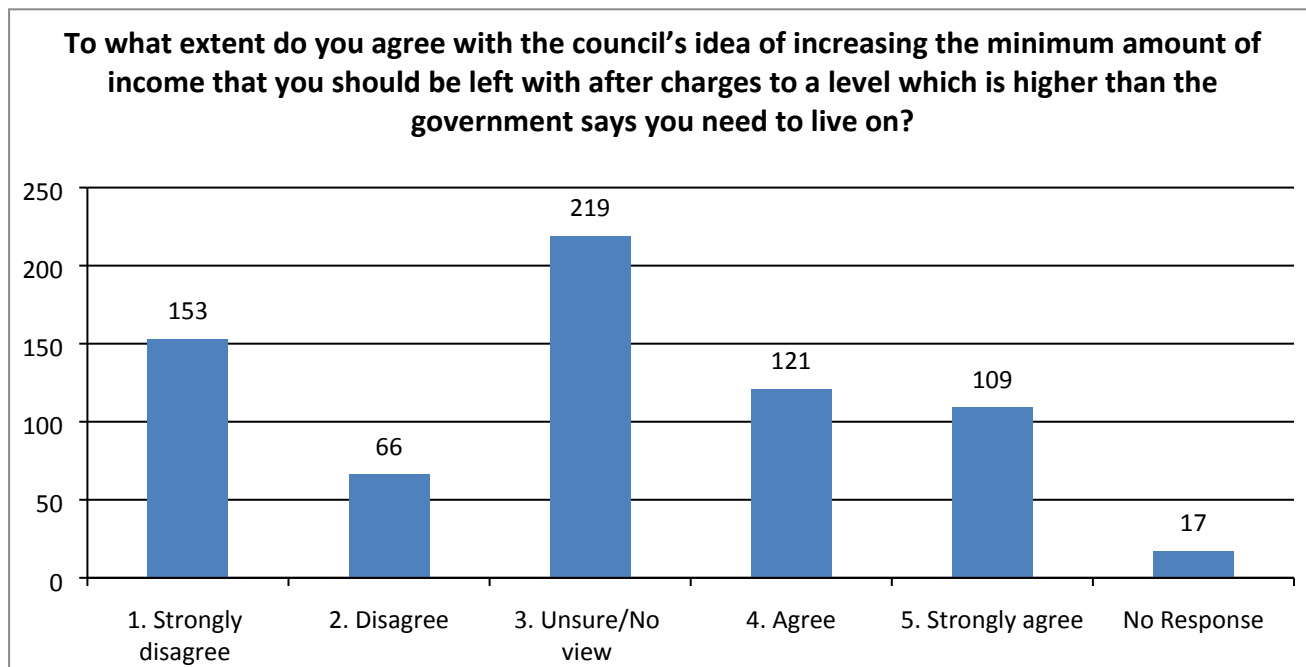
2. Having read the council’s leaflet, do you think you will be affected by the introduction of charges?

Response	Number of Responses	% of All Responses	Net Response
No	264	39%	No
Yes	352	51%	264
No Response	69	10%	Yes
Grand Total	685	100%	352
			Net
			88



3. To what extent do you agree with the council’s idea of increasing the minimum amount of income that you should be left with after charges to a level which is higher than the government says you need to live on?

Response	Number of Responses	% of All Responses	Net Response
1. Strongly disagree	153	22%	Negative
2. Disagree	66	10%	219
3. Unsure/No view	219	32%	Positive
4. Agree	121	18%	230
5. Strongly agree	109	16%	
No Response	17	2%	Net
Grand Total	685	100%	11



4. Are there any other housing costs apart from mortgage payments, rent, ground rent, Council tax and service charges that you think we should protect from charges? This could be things like gas/electricity or water charges.

Response	Number of Responses	% of All Responses
No	204	30%
Yes	427	62%
No Response	54	8%
Grand Total	685	100%

Net Response
No
204
Yes
427
Net
223

Question 5. Are there any other housing costs apart from mortgage payments, rent, ground rent, Council tax and service charges that you think we should protect from

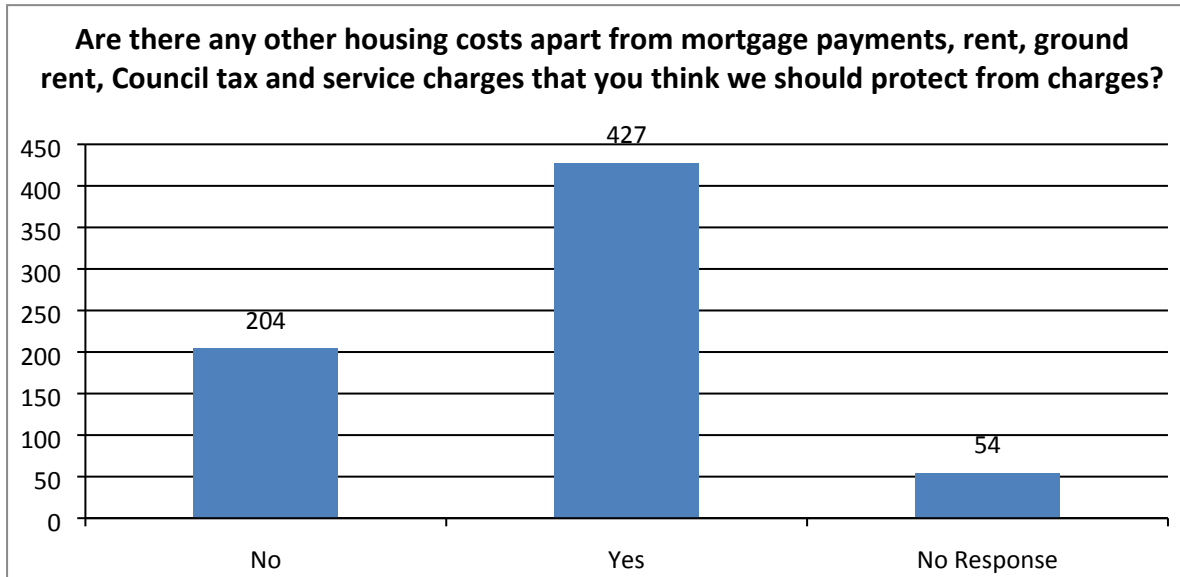
Total Number of Responses: 344 (50% of all responses)

Suggestions in order of frequency:-

- 1 Gas
- 2 Electricity
- 3 Water
- 4 Food
- 5 Telephone
- 6 Television
- 7 Insurance

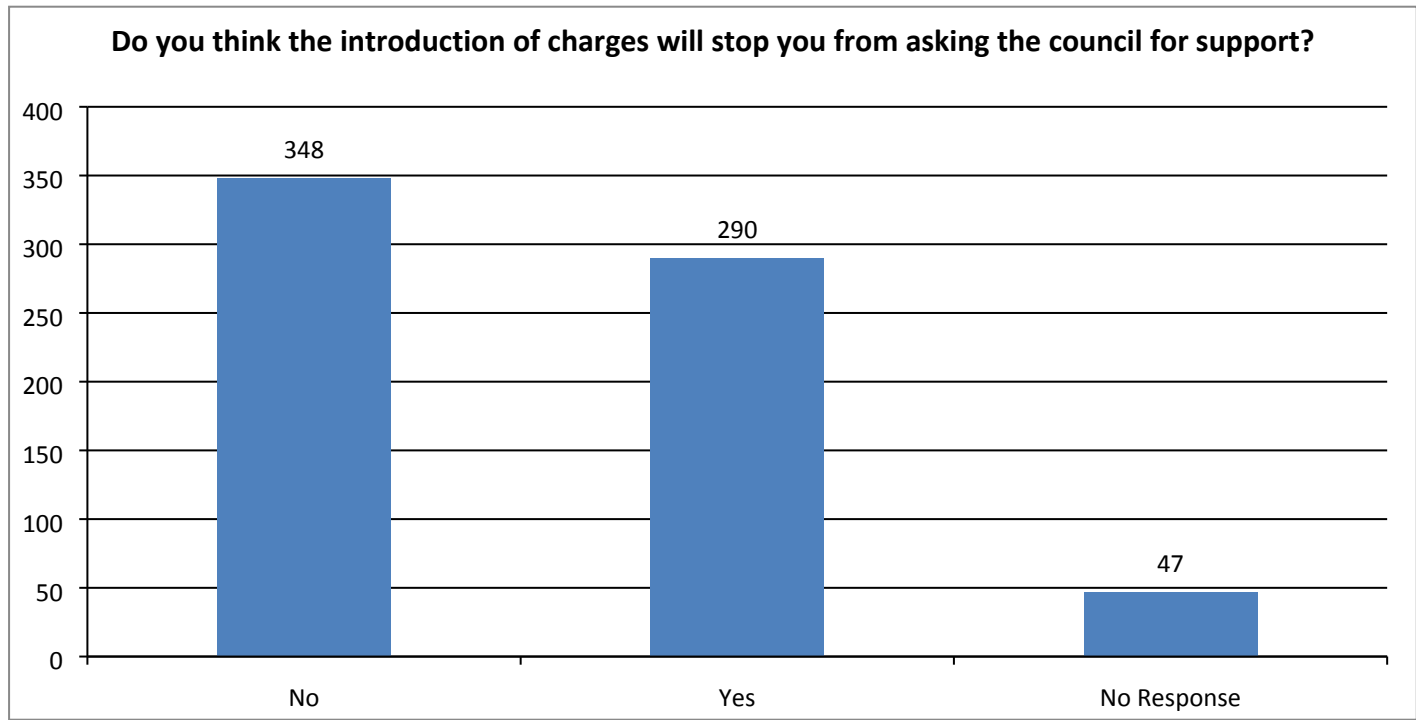
Other notable suggestions included:-

- Service charges
- Clothing
- Transport
- Items which may be considered disability related expenditure



6. Do you think the introduction of charges will stop you from asking the council for support?

Response	Number of Responses	% of All Responses	Net Response
No	348	51%	No
Yes	290	42%	348
No Response	47	7%	Yes
Grand Total	685	100%	290
			Net
			-58



Question 7. Do you think the introduction of charges will stop you from asking the council for support? If yes, what could the council do to help you feel more comfortable or less worried about asking for support?

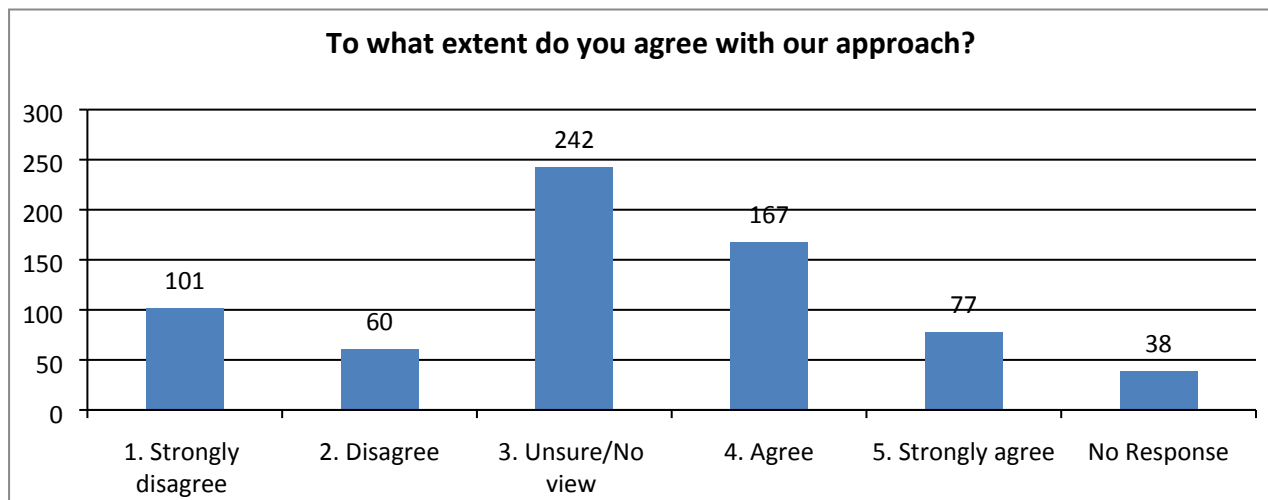
Total Number of Responses: 225 (33% of all responses)

The key themes are: Notable responses include:-

- Services should be free as they are now. Having to undergo a financial assessment is felt to be an intrusive process. Help should be made available to clients including the opportunity for face to face meetings Information should be available in different languages and should be clear and easy to understand People will stop accessing services if they have to contribute towards the cost The minimum income and capital limits should be higher to ensure people have enough money to provide a safety net for expenses People were worried about having to pay and how they would manage

8. . . . We want to get the balance right between raising income to make sure there is enough money to pay for social care and protecting people on lower incomes from charging. That’s why we have proposed raising the minimum amount of income that is protected from charging and not the other options we looked at. To what extent do you agree with our approach? To what extent do you agree with our approach?

Response	Number of Responses	% of All Responses	Net Response
1. Strongly disagree	101	15%	Negative
2. Disagree	60	9%	161
3. Unsure/No view	242	35%	Positive
4. Agree	167	24%	244
5. Strongly agree	77	11%	
No Response	38	6%	Net
Grand Total	685	100%	83



Question 9. Is there anything else you want to say about the council's ideas for charging?

Total Number of Responses: 247 (36% of all responses)

The balance of the comments do not support charging for care. The key themes are:-

We understand the difficult position the council faces Charging should have been brought in before to bring LBTH in line with other authorities It is reasonable that people on higher incomes contribute to their care People won't be able to afford care Older people who have saved all their life should not have to use their savings to pay for care People who need support won't be able to afford it People who have services need them Older people will end up in hospital as they won't be able to afford care The council should look at other ways of saving money

Equalities Profile

Sex

Response	Number of Responses	% of All Responses
Female	330	48%
Male	225	33%
No Response	130	19%
Grand Total	685	100%

Age

Response	Number of Responses	% of All Responses
16-24	15	2%
25-34	34	5%
35-44	40	6%
45-54	65	9%
55-64	73	11%
65+	331	48%
No Response	127	19%
Grand Total	685	100%

Ethnicity

Response	Number of Responses	% of All Responses
Any Other Asian Background	16	2%
Any Other Black Background	7	1%
Any Other Ethnic Group	9	1%
Any Other Mixed Background	1	0%
Any Other White Background	21	3%
Asian or Asian British: Bangladeshi	149	22%
Asian or Asian British: Pakistani	5	1%
Black or Black British: African	35	5%
Black or Black British: Caribbean	27	4%
Mixed / Dual Heritage: Any Other Background	1	0%
No Response	153	22%
Other Ethnic Group: Chinese	1	0%
Prefer not to say	7	1%
White – British	243	35%
White – Irish	6	1%
White British	1	0%
White: Other	3	0%
Grand Total	685	100%

Disability

Response	Number of Responses	% of All Responses
No	19	3%
Prefer not to say	2	0%
Yes	31	5%
No Response	633	92%
Grand Total	685	100%

Sexual Orientation

Response	Number of Responses	% of All Responses
Heterosexual/straight	30	4%
Prefer not to say	15	2%
Gay man	3	0%
No Response	637	93%
Grand Total	685	100%

Religion

Response	Number of Responses	% of All Responses
Agnostic	7	1%
Christian	14	2%
Humanist	1	0%
Muslim	14	2%
Other religion	2	0%
Prefer not to say	12	2%
No Response	635	93%
Grand Total	685	100%

Summary of responses from events

Service users

- Capital limit should be higher
- More events should be held about the changes
- How will the Council monitor the impact of Charging
- Older people will be most affected by the change
- Need to be clear on what services will be charged for

Carers

- Carers need to have information about changes as they often manage financial affairs of the service user
- Need to know how often people will be reassessed as this is a difficult process

Providers

- Scheme will cost more to administer than it will raise
- There should be an initial free period of care
- The transition from not charging to charging needs to be handled carefully
- How will the council ensure people are safe?

APPENDIX 6: Charge Income Modelling and Recommendation

The modelling of potential income arising from the levy of charges is fraught with challenges. Like any forecasting, these challenges are overcome by using assumptions for the variables that impact the calculation of potential income. The accuracy of these assumptions is influenced by the availability of relevant data.

As charging has not been undertaken previously for the services to which charging will now apply, there is no directly comparable data to use for modelling.

The charging model comprises the following elements:-

- Client group characteristics
- Assessed income for charging
- Living Costs and Allowances
- The cost of care provided to the service user

Client Group Characteristics

These are the volume, socio-economic and demographic characteristics of the service users eligible for charging. This is relevant as the Statutory Minimum Income Guarantee varies with household composition and characteristics.

The following table summarises the number of service users currently receiving long term non-residential support from the Council. Of these, Meals and Extra Care Sheltered Housing are the only two where service user charging is currently applied.

Service Type Description	Number of Service Users Receiving Each Type of Service				
	March 2014	March 2015	Sept 2015	May 2016	Average
Adults Direct Payments	558	582	612	609	590
Adults Home Care	1703	1828	1930	1781	1811
Adults Supported Living	51	41	45	48	46
Adults Day Services	592	685	718	711	677
Adults Meals	405	397	400	382	396
Adults Extra Care Sheltered Housing	189	175	173	167	176
Adults Therapeutic Support	5	4	4	4	4
Adults Home Care Block (Special)	1	1	1	0	1
Total Long Term Support (LTS)	2783	2924	3037	2889	2908
Total LTS excluding Meals And Extra Care Sheltered Housing	2528	2699	2883	2659	2692

The following table shows the age category of the users of the additional services to which charging will now apply.

Age (May 2016)	Number of Service Users					
	Direct Payments	%	Home Care	%	Day Services	%
18-24	42	7%	61	3%	60	8%
25-62	287	47%	536	30%	355	50%
63+	279	46%	1184	66%	296	42%
Total	608	100%	1781	100%	711	100%

The above tables include service users that receive multiple services. The following table therefore shows the number of unique users and their age category.

Unique Service Users Receiving Direct Payments, Home care and Day Services May 2016		
Age <25	113	4%
Age 25-62	957	37%
Age 63+	1544	59%
Total Unique Clients	2615	100%

The volume and age categorisation from the above table has been used in the Charge Income Model. This influences the assumed levels of income, and the associated Statutory Minimum Income Guarantee.

Assessed Income for Charging

Assumptions about the amount of income available to the client are critical to accuracy of the Charge Income Model.

The Care and Support Statutory Guidance (9 May 2016) lists the income sources that can be considered in a financial assessment for charging for social care. This lists specific benefits which can be considered, and others which must be disregarded. All earned income must be disregarded.

The Financial Assessment must relate to the income received by the person receiving the care support. Joint income must be apportioned accordingly. Other household income is not considered.

To gain a better understanding of the likely levels of income potentially available to use for charging, a data matching exercise was undertaken between social care and housing benefit administration information held by the Council. This returned a sample of 754 community based care clients in receipt of housing benefit. As clients are in receipt of benefit, this may not fully represent the whole client group, however, it did provide the following insight:-

- 42% were in receipt of a disability benefit, and of these, almost half were in receipt of the highest level of disability benefit
- 9% were in receipt of a personal pension with monthly income ranging from £6.26 to £701.01
- 74% were in receipt of a “benefit that would entitle them to maximum Housing benefit. This is an indication of low income.
- For those on a passported benefit, only those in receipt of a disability benefit which can be counted as income for charging fell into the group who might potentially face a charge
- Average rent (after Housing Benefit) was £19.47 per week, and ranged from zero to £249.20. There were 2 clients with rents over £200, and 24 with rents over £100 per week
- No client had capital savings higher than the lower capital threshold of £14,250

As earned income must be disregarded, the average reference incomes used in the model are based on standard benefit rates which a service user might typically receive. The income sources used in each income scenario are as follows. The statutory MIG for each scenario is a combination of the age related and disability components. Disability premiums are awarded based on specific disability benefits being received and the level of those benefits

Lower Income Level			
Age Group	Composition	Weekly Amount	Statutory MIG
Under 25	Employment Support Allowance (Support Group)	£102.15	72.40

Between 25 and retirement Age	Employment Support Allowance (Support Group)	£109.30	91.40
Over retirement age	State Pension with Pension Credit	£155.60	189.00

Middle Income Level			
Age Group	Composition	Weekly Amount	Statutory MIG
Under 25	Employment Support Allowance with Enhanced Disability Premium, and Personal Independence Payment at the standard rate	£173	£132.45
Between 25 and retirement Age	Employment Support Allowance with Enhanced Disability Premium, and Personal Independence Payment at the standard rate	£180.15	£151.45
Over retirement age	State Pension with Pension Credit, Attendance Allowance (Lower), and Savings Credit	£242.95	£229.35

Higher Income Level			
Age Group	Composition	Weekly Amount	Statutory MIG
Under 25	ESA SDP + PIP Enhanced	£262.05	£132.45
Between 25 and retirement Age	ESA EDP +PIP Standard	£269.20	£151.45
Over retirement age	State Pension + £50 per week Private Pension+ Pension Savings Credit	£243.55	£189.00

To simplify the scenarios, it is assumed that those clients who are not full cost payers, all have capital savings below the lower capital threshold of £14,250. Benefits data shows that people do not have savings above this amount

Living Costs and Allowances

These are the costs deducted from the assessed income and determine whether the service user can afford to contribute to the cost of their care. These costs include:-

- housing costs (e.g. rent / mortgage, Council Tax, service charges)
- disability related expenditure (if disability benefits are taken into consideration)
- living costs (the Minimum Income Guarantee)
- other discretions and allowances the local authority may make

As demonstrated by the analysis from the benefits matching, Housing costs can vary significantly. For the purposes of this model, rent of £30 for all users has been applied. The amount is an average based on the amount that people have to pay after Housing Benefit has been taken into account.

The Care Act Statutory Guidance requires the Council to allow a person to keep enough benefit to pay for necessary disability-related expenditure to meet any needs *which are not being met by the local authority*, this only applies when their disability benefits are included in the financial assessment. Disability benefits are defined as attendance allowance (other than severe disablement occupational allowance), disability living allowance or personal independence payment. Councils approach this requirement in different ways with some opting to make a single fixed allowance. This benefits those with costs below this amount, and disadvantages those with higher costs. It is recommended that an allowance is made for actual disability related expenditure as assessed through the Financial Assessment.

For the purposes of this model, it is assumed, that only half of service users will have additional disability related expenditure which is not covered by the local authority, and that the average cost of this is £15 per week, this figure is based on the standard amounts used by other councils .

Local Authority Circular LAC(DH)(2016)2 sets out the (Statutory) Minimum Income Guarantee (MIG). This is the amount of income which people receiving local authority arranged care and support other than in a care home need to retain to cover their living costs, which are defined as costs such as rent, food and utilities. This is not a single figure and the value of this is based on based on age, family, and personal circumstances stated in the circular.

The Council has consulted on additional discretionary allowances for people receiving support from Tower Hamlets Council. The Mayor is keen to particularly protect people on low incomes and those with complex needs who face long-term care costs over their lifetime. Of those who expressed a view, more respondents to the community survey agreed than disagreed with the council's idea of increasing the minimum amount of income that service users should be left with after charges to a level which is higher than the government says they need to live on.

It is therefore recommended to increase the Minimum Income Guarantee to £151.45 per week. This is equivalent to Government's Statutory Minimum Income Guarantee for a single person, aged 25 or older but less than pension credit age, receiving the disability premium and the enhanced disability premium. This will benefit those on the lowest levels of income who are under retirement age. People over retirement age already have a higher Minimum Income Guarantee set by Government.

Sixty percent of the respondents to the charging survey agreed that the Council should protect service users from other housing costs apart from mortgage payments, rent, ground rent, Council tax and service charges. The most frequently suggested additional costs were for household utilities (gas, electricity, and water). It is therefore recommended that a further allowance is given for utilities of £15 per week. Application of this discretion could be in line with the Council's objective to tackle poverty as it would benefit those on lower incomes, who often pay a "poverty premium" for water and other utilities as they are subjected to higher rates, and for whom these essential costs are a far higher proportion of their disposable income, compared to those on higher incomes.

The Cost of Care Provided

When choosing to charge, a local authority must not charge more than the cost that it incurs in meeting the assessed needs of the person. It also cannot recover any administration fee relating to arranging that care and support. Accordingly, the value of the cost of care will be unique to each service user and this will be determined when care is purchased by the Council on behalf of the Service User, or when the value of their Direct Payment is determined.

The average cost of community based care for the demographic groups described earlier, as at May 2016, has been used in this model.

Assumptions about the cost of care are particularly important when considering how many users are likely to pay the full cost of care. The model assumes that 5% of services users will pay the full cost of care as they have capital above the upper limit. This is consistent with the experience from other local authorities.

Potential Impact on Clients of Discretions

The following portraits illustrate how these recommendations may affect individual clients. To simplify these examples, it is assumed that housing costs are covered by Housing Benefit, and therefore, there is no additional cost to the client.

Example 1

Hassan is a single man aged 23 with a disability who receives home care from the Council. Hassan's only source of income is Employment Support Allowance of £102 per week.

Hassan has £2,000 in savings in a bank account. Because this is below the lower capital threshold of £14,250, this is not considered in his Financial Assessment.

The Government says that Hassan needs a minimum income of £72.40 per week. If the Council applied this Minimum Income Guarantee, Hassan would have £29.75 to use to pay for his care.

However, because the Council is increasing the Minimum Income Guarantee to £151.45 per week, Hassan would not be charged for the cost of his home care.

Example 2

Rebecca is a single disabled woman aged 21. She receives Employment Support Allowance with Enhanced Disability Premium and a Personal Independence Payment totalling £173 per week. She has no savings, but has additional disability related costs of £16 per week which are not covered by her support package.

With consideration of her disability, the Government has set her Minimum Income Guarantee at £112.75 per week. If the Council applied this Minimum Income Guarantee, Rebecca would have £60.25 to use to pay for her care.

However, because the Council is increasing the Minimum Income Guarantee to £151.45 per week, making an additional £15 allowance for utilities and deducting her disability related costs, Rebecca would not be charged for the cost of her care.

Example 3

Syed is a single disabled man aged 49. Due to the severity of his disability, Syed receives Employment Support Allowance with the Severe Disability Premium. He also received a Personal Independence Payment (Daily Living and Mobility Components) at the Enhanced Level. Syed also has £10,000 in a combination of tax free savings.

The Council would not consider Syed's Mobility Component of his Personal Independence Payment, and therefore the eligible income would be £269.20 per week. His savings are below the Lower Capital Threshold of £14,250 and therefore would be disregarded.

With consideration of his level of disability, the Government says that Syed would need a Minimum Income Guarantee of £151.45 per week. This would leave Syed with £117.75 per week to use to pay towards the cost of his care.

However, because the Council is increasing the Minimum Income Guarantee to £151.45 per week, making an additional £15 allowance for utilities and deducting his disability related costs, Syed would only have to pay £87.75 per week towards the cost of his care.

Example 4

Mavis is a 68 year old single pensioner. She receives a State Pension, and because she has no other income, also receives the Pension Credit. This totals £155.60.

The Government has set the Minimum Income Guarantee for Mavis at £189 per week. Because this is more than the income she receives, Mavis would not be charged for her care.

Example 5

Nala is a 78 year old single pensioner. She receives a State Pension, and £50 per week from a private pension. She also receives the Pension Savings Credit. These total £243.55 per week.

The Government has set the Minimum Income Guarantee for Nala at £189 per week, and consequently she would have £54.55 per week to contribute towards the cost of her care.

The Council's decision to increase the Minimum Income Guarantee to £151.45 per week would have no impact on Nala because she is over pension age and as such her Statutory Minimum Income Guarantee is already £189. However, the Council's decision to make an additional £15 per week allowance for utilities would mean that Nala's contribution towards her care would reduce to £39.55.

Example 6

George is a 74 year old single pensioner. He receives a State Pension of £119.30, high level Attendance Allowance £82.30 and £350 per week from a private pension. These total £551.60 per week.

The Government has set the Minimum Income Guarantee for George at £249.05 per week, and consequently he would have £302.15 per week to contribute towards the cost of his care.

The Council's decision to increase the Minimum Income Guarantee to £151.45 per week would have no impact on George because he is over pension age and as such his Statutory Minimum Income Guarantee is already £189. However, the Council's decision to make an additional £15 per week allowance for utilities would mean that George's contribution towards his care would reduce to £287.55

The application of a cap of £250 on charge costs would reduce his contribution to £250

Charge Income Scenarios

The combination of variables in the model significantly impact the modelling of income that will be generated through user charging. Each service user will have unique circumstances; therefore it is not possible to make assumptions that will apply to everyone. Three scenarios have been selected to illustrate the potential implications of these recommendations. This provides an indication of the range of income that might be possible for the council to achieve.

Recommendation A

	Charging Income Range								
	Lower Income Level			Medium Income Level			Higher Income Level		
	Charges From Full Cost Clients	Charges From Remaining Eligible Clients	Total Annual Income	Charges From Full Cost Clients	Charges From Remaining Eligible Clients	Total Annual Income	Charges From Full Cost Clients	Charges From Remaining Eligible Clients	Total Annual Income
Base Scenario	£969,632	£0	£969,632	£969,632	£641,802	£1,611,434	£969,632	£5,606,344	£6,575,976
Utilities Allowance of £15 pw	£969,632	£0	£969,632	£969,632	£43,121	£1,012,753	£969,632	£3,669,604	£4,639,236
Income Forgone	£0	£0	£0	£0	£598,681	£598,681	£0	£1,936,740	£1,936,740

The table illustrates the impact of the recommendation to make an allowance for all utilities at £15 per week for all clients. All clients therefore will benefit from this.

Charges from full cost clients are the same in all the scenarios because the assumption applied is that 5% of all clients pay full cost. The addition of an allowance for utilities does not affect this.

In the Base Scenario, no income is raised from remaining clients at the lower income level because the reference income, minus housing and additional disability related expenditure is less than the Statutory Minimum Income Guarantee.

At the medium income level, a £15 allowance for utilities results in income forgone of £598,681. In essence, this is the cost of the allowance under the assumptions in this scenario. At the higher income level, the income forgone is £1.9m. This is because all clients were paying at charge at this level, and therefore the value of all charges has been reduced accordingly.

Recommendation B

	Charging Income Range								
	Lower Income Level			Medium Income Level			Higher Income Level		
	Charges From Full Cost Clients	Charges From Remaining Eligible Clients	Total Annual Income	Charges From Full Cost Clients	Charges From Remaining Eligible Clients	Total Annual Income	Charges From Full Cost Clients	Charges From Remaining Eligible Clients	Total Annual Income
Base Scenario	£969,632	£0	£969,632	£969,632	£641,802	£1,611,434	£969,632	£5,606,344	£6,575,976
Increasing Minimum Income Guarantee to £151.45 pw	£969,632	£0	£969,632	£969,632	£0	£969,632	£969,632	£5,500,628	£6,470,260
Income Forgone	£0	£0	£0	£0	£641,802	£641,802	£0	£105,716	£105,716

The table illustrates the impact of the recommendation to increase the Minimum Income Guarantee to £151.45. This only affects those clients for whom the Statutory Minimum Income Guarantee is less than this.

Charges from full cost clients are the same in all the scenarios because the assumption applied is that 5% of all clients pay full cost. Changes to the Minimum Income Guarantee do not affect this.

In the Base Scenario, no income is raised from remaining clients at the lower income level because the reference income, minus housing and additional disability related expenditure is less than the Statutory Minimum Income Guarantee. At the medium income level, increasing the Minimum Income Guarantee to £151.45 results in income forgone of £641,802. In essence, this is the cost of the increase in the Minimum Income Guarantee under the assumptions in this scenario. At the middle income level, the only income raised is from full cost payers.

At the higher income level, the income forgone is less than at the middle income level. This is because the Statutory Minimum Income Guarantees in this scenario are already higher than £151.45 due to the addition of disability premiums except for those under 25. The reduction in income only affects this group as illustrated below.

Demographic Group	Higher Income Level			Higher Income Level		
	Charges From Full Cost Clients	Charges From Remaining Eligible Clients	Total Annual Income	Charges From Full Cost Clients	Charges From Remaining Eligible Clients	Total Annual Income
Under 25	£78,000	£512,444	£590,444	£78,000	£406,728	£484,728
Over 25 to Retirement Age	£355,056	£3,793,257	£4,148,313	£355,056	£3,793,257	£4,148,313
Over Retirement Age	£536,576	£1,300,642	£1,837,218	£536,576	£1,300,642	£1,837,218
Total	£969,632	£5,606,344	£6,575,976	£969,632	£5,500,628	£6,470,260

Combining Recommendation A and B

	Charging Income Range								
	Lower Income Level			Medium Income Level			Higher Income Level		
	Charges From Full Cost Clients	Charges From Remaining Eligible Clients	Total Annual Income	Charges From Full Cost Clients	Charges From Remaining Eligible Clients	Total Annual Income	Charges From Full Cost Clients	Charges From Remaining Eligible Clients	Total Annual Income
Base Scenario	£969,632	£0	£969,632	£969,632	£641,802	£1,611,434	£969,632	£5,606,344	£6,575,976
Utilities Allowance of £15 pw AND increasing the MIG to £151.45 pw	£969,632	£0	£969,632	£969,632	£0	£969,632	£969,632	£3,563,888	£4,533,520
Income Forgone	£0	£0	£0	£0	£641,802	£641,802	£0	£2,042,456	£2,042,456

The table illustrates the impact of the recommendation to make an allowance for all utilities at £15 per week for all clients *and* increase the Minimum Income Guarantee to £151.45.

Charges from full cost clients are the same in all the scenarios because the assumption applied is that 5% of all clients pay full cost. An allowance for utilities and changes to the Minimum Income Guarantee do not affect this.

In the Base Scenario, no income is raised from remaining clients at the lower income level because the reference income, minus housing and additional disability related expenditure is less than the Statutory Minimum Income Guarantee.

At the middle income level, applying these discretions results in foregone income of £641,802. This is because the level of client income is insufficient to enable a charge to be levied.

At the higher income level, applying these discretions results in foregone income of £2m. This is comprised of a reduction in all charges due to the allowance for utilities, and the reduction in charges of those under 25 who benefit from a higher minimum income guarantee.

The range of income that could be raised is £970k to £4.5 million; this does not include the impact of applying a cap on care charges. Based on the data available as detailed below these estimates would need to be reduced by £30k to account for this discretion

Recommendation C

The application of a cap on the weekly cost of care only affects those clients whose care costs are above this amount. Thirty eight percent (38%) of clients (as at May 2016) received a care package with a weekly cost exceeding £250.

However, the charge levied on a client is limited to what they can afford to pay. Therefore, only those clients who can afford to pay costs of care exceeding £250 will benefit from this discretion.

The modelling above uses average care costs for each cohort and these do not exceed £250. Therefore, the model does not effectively demonstrate the impact of this discretion. This would be better illustrated through the use of actual income and cost of care data.

The only data available on actual incomes is sourced from the Council's Housing Benefits system. Client data matched between this and the Adult Social Care system showed that only 5 people out of 754 in the sample would benefit from the cap as their care packages were above £250 per week. These were all above the age of 55 with 4 in receipt of a private pension. All were in receipt of disability related benefits.

By capping their weekly charge to £250, the Council would forgo income of £586 per week, totalling £30,472 per annum.

Of the remaining clients not matched with housing benefits data, 607 had a care package exceeding £250 per week. As we do not have actual income data for these clients, it is not possible to assess the impact of this discretion on them.

Conclusions

The above scenarios are illustrative only and assume everyone has the levels of income specified. In reality, the range of starting incomes is likely to vary from client to client. This is why all clients must undergo a Financial Assessment to ensure that the assessment of affordability is based on their personal circumstances.

- Only those who have the highest level of disability benefit, private pensions and / or significant sums of capital are likely to be charged.
- The model shows that at lower income levels, deductions for housing, disability related expenditure and living costs are sufficient to exclude clients from charges.

The recommendations affect the client groups differently.

- The allowance for utilities benefits all users, and therefore is not targeted at those who may need it the most. Consequently, the financial cost to the Council from income forgone is the greatest. Increasing the Minimum Income Guarantee benefits those with the lowest benefit incomes because the difference between this and the corresponding Statutory Minimum Income Guarantee is relatively greater. It therefore meets the Council's policy aim of protecting those with the lowest incomes.

- The weekly cap on care charges only benefits those who would pay the full cost of care which exceeded this amount because they have more expensive care packages, or if they could afford to pay more than £250 per week.

Appendix 7

Full Equality Analysis

Section 1: General Information

1a) Name of the savings proposal

Charging for community social care services and deferred payments for residential and nursing care

1b) Service area

Adult Social Care

1c) Service manager

Luke Addams

1d) Name and role of the officer/s completing the analysis

Jebin Syeda, Strategy Policy and Performance Officer / Joanne Starkie, Community Engagement Quality and Policy Manager/Helen Donnellon Project Manager

Section 2: Information about changes to services

2a) In brief please explain the savings proposals and the reasons for this change

The council has legal duties to meet the needs of people who are eligible for social care support. This proposal will ensure that our charging policy is fair and equitable.

In Tower Hamlets, our social care budgets are under significant pressure due to rising demand for services and high levels of complex needs, coupled with continued reductions in funding from central government. We are considering the introduction of a charging policy so that people who can afford to pay are charged for services that are currently provided free of charge. This would be in line with most other Councils in England who introduced charging some time ago. The new policy will enable us to generate income to contribute towards meeting the needs of vulnerable people in the community, particularly in the future as the need for social care services is predicted to rise significantly, whilst ensuring that services continue to be provided and that appropriate financial protection is available for those who need it and maximises people's personal income through benefits maximisation which fits with the Council's wider Welfare Reform agenda.

The following services are currently charged for:

- Residential and nursing care
- Residential respite care (with the exception of respite for learning disability service users,

which is not currently charged for)

- The personal care provided to tenants in Extra Care Sheltered Housing
- Telecare services to tenants of sheltered housing and Extra Care Sheltered Housing
- Delivered meals (meals on wheels)
- Meals and refreshments in council run day centres, for which a flat rate is charged.

The following services, where the council has discretion to charge, are not currently charged for:

- Home care
- Day care services
- Employment support services
- Telecare outside of Sheltered and Extra Care Sheltered Housing
- Transport
- Other community based support services, including preventative and “universal” services
- Carers’ support

The services which will be charged for are ;

- Home care
- Day care services
- Transport

Charging would be based on ability to pay following an assessment of clients’ disposable income. We do not currently hold financial assessment information on social care users unless they receive residential care where a financial assessment would need to be undertaken to determine contribution in line with the 2014 Care Act statutory and legal framework⁴.

The policy will be introduced in April 2017.

Our aim is to support and promote strong communities so that people can live their lives as independently and safely as possible. Our approach is to promote independence and choice, to be fair and equitable and give service users more power and control over their lives.

2b) What are the equality implications of your proposal?

Evidence to assess the equalities implications It is difficult to model the cash flow implications or impact on the current users of social care, of any changes to the charging framework because to a large extent many of our services are provided free of charge. We have not had to compile financial assessments and therefore do not have any information on the level of assets or the income of these individuals. If a charging framework is put in place and we have completed financial assessments for individuals, we will be better placed to assess what the implications are and will undertake further work to consider the impact. We can use this information to review the protection of assets thresholds.

We can draw on wider research about income of local people. There is some research which gives us income levels; however there is lack of data on the asset levels of local population. We will take a much more rounded view and consider income as well as assets of individuals through our financial assessments.

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https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/366104/43380_239027_77_Care_Act_Book.pdf

The profile of adult social care users⁵

- The biggest single group of adult social care users are “White British” at 44%. This is followed by “Asian Bangladeshi” at 24%, Black African at 6% and Black Caribbean at 5%.
- The biggest single religious group of adult social care users are “Christian” at 38%. This is followed by “Muslim” at 29%.
- The majority of adult social care users are over 65 years old (58%).
- The majority of adult social care users are female (55%). 42% are male. Very little information is available on transgender service users.
- By the nature of the services being provided, it can be assumed that the vast majority of adult social care users have a disability/long term conditions.
- 29% of adult social care users are single, making this the biggest single group in terms of marital status. 22% are widowed.

Income in Tower Hamlets^{6,7:}

The median annual household income in Tower Hamlets in 2013 was £30,805. Compared to the other East London boroughs, the household income in Tower Hamlets is comparably higher. The lowest household income (median) in London is concentrated in the East London Boroughs Barking & Dagenham (£25,833), Newham (£26,364) and Hackney (£28,293).

The median household income by ward ranges from £25,397 per year in St Dunstan's and Stepney Green to £47,426 per week in St Katherine's and Wapping⁸.

Data from the Housing Needs Survey 2014 demonstrates how income varies by ethnic groups and age. Residents of a White British ethnic background are more likely to have high (£60,000+) levels of income whilst the lowest levels of income (under £15,000) are found in the Black and Asian ethnic groups. More detail is set out below:

	White	Black/African/ Caribbean/ Black British	Asian/ Asian British	Mixed/ multiple ethnic group	Other ethnic group
Less than £5,000	8.3%	15.9%	14.7%	34.6%	26.4%
£5,000- £10,000	17.4%	33.7%	18.2%	8.8%	0.0%
£10,000- £15,000	4.9%	14.1%	19.4%	0.0%	0.0%
£15,000- £20,000	11.4%	15.7%	8.8%	0.0%	11.6%
£20,000- £30,000	12.7%	12.4%	11.1%	22.2%	0.0%
£30,000- £40,000	13.6%	0.0%	7.6%	0.0%	0.0%
£40,000-	12.1%	4.4%	8.2%	28.8%	62.1%

⁵ November 2015 figures. This includes those in residential care and those in receipt of community based support who meet the national eligibility threshold. Figures do not include those accessing commissioned universal or preventative support services.

⁶ SMAH – draft

⁷ Tower Hamlets Council Corporate Briefings

http://towernet/document_library/corporate_research/RB2013_12_PopulationkeyfactsTowerHamlets

⁸ July 2015 JSNA Summary Document

£60,000					
£60,000 or more	19.6%	3.8%	11.9%	5.6%	0.0%
Total	100.0%	100.0%	100.0%	100.0%	100.0%

Income by Ethnic Group Source: Tower Hamlets Housing Needs Survey 2014

'All Older' households have the lowest levels of incomes of the groups with almost 70% having incomes of less than £10,000.

Assets in Tower Hamlets

40% of houses in Tower Hamlets are socially rented, a third (33%) are privately rented and 27% are owner-occupied⁹. The borough has high rental figures compared to the rest of the UK.

As previously noted, there is lack of data on the asset levels of local population. However, research indicates that over 50% of 'All Older' households own their home either outright or on a mortgage. Over 40% are renting in the social sector while only c.2% rent in the Private Rented Sector. Given that income levels for older people are low but home ownership rates are relatively high, many of this group can be described as 'equity rich but cash poor'.

Cost and use of services

Residential / nursing care and home care represent the two biggest areas of expenditure in adult social care. The former accounted for approximately 30% of expenditure in 2014/15 whilst the latter accounted for approximately 18%. Day care accounted for approximately 9% of expenditure, representing the third biggest area of spend on support services.

Service users who receive free community-based support services

- **Homecare**: 2438 adult social care users received home care in 2014-15. In line with the profile of all adult social care users, the biggest groups are: Older (68.5% aged 65 or over), female (59%), White British (43.5%) followed by Asian Bangladeshi (27%) and Christian (38%) followed by Muslim (31%). 25% are widowed. By the nature of the service, it can be assumed that the vast majority have a disability/long term condition. Of these, 12% have a learning disability and 5.5% have mental health issues.
- **Day care**: 772 adult social care users used day care services in 2014-15. The profile is different to the overall profile of adult social care users in terms of age, ethnicity and religion or belief. The biggest groups are: Younger (58% aged 18 to 64), female (53%), Asian Bangladeshi (38%) followed by White British (33%) and Muslim (41%) followed by Christian (36%). 40% are single. By the nature of the service, it can be assumed that the vast majority have a disability/long term condition. Of these, there is a higher prevalence of adults with a learning disability (44%) or mental health issue (10%).
- **Other free community-based support services**: There are a range of other community-based support services. These include information and advice, LinkAge Plus Centres for older people and support to adults with a disability to find employment. Some of these services are provided directly by the local authority, whilst others are commissioned. The "profile" of users will vary from service to service. However, by the nature of the support being provided, it can be assumed that the majority have a disability/long term condition.

Service users in residential and nursing care

⁹ 2011 Census

The profile of service users in residential and nursing care gives some indication as to who may be eligible for deferred payments in future. There were 709 people in residential / nursing care in 2015-16. In line with the profile of all adult social care users, the biggest groups are: Older (68% aged 65 or over) and White British (63%). 51% are male, whilst 49% are female. 50% are of a Christian faith and 9% are Muslim, although it should be noted that for 30%, their religion or belief is not known or has not been stated. By the nature of the service, it can be assumed that the vast majority have a disability/long term condition. 54% have a physical disability or sensory impairment.

Service users who make some financial contribution towards the cost of their care

The biggest service area where adult social care users are making some contribution towards the cost of care is residential care. Of this cohort, the majority are older (306 are aged 65 or over), male (265), White British (316) followed by Asian Bangladeshi (38) and Christian (254) followed by Muslim (47). By the nature of the service, it can be assumed that the vast majority have a disability/long term condition.

Service users who pay the full cost of residential care

23 adult social care users were paying the full cost of residential care as at March 2015. 19 are aged 65 years or over, whilst the ages of four more had not been recorded. 15 were female and four were male. Eight were of a "Christian" religion or belief, though the religion or belief of 14 others had not been recorded.

The most expensive social care packages

We currently have 61 service users with care packages between £100,340 and £201,594 per year each, in both residential and community settings (our most expensive care packages are spread evenly across a range of services). Of these:

- 51 are aged 18 to 64 years old – this is younger than the average "profile" of an adult social care user
- 38 are male – this is different to the average "profile" of an adult social care user
- 30 are Christian and 17 are Muslim. This broadly follows the profile of all adult social care users.
- 28 are of a "White British" ethnic background and 18 are of a "Bangladeshi" ethnic background. This broadly follows the profile of all adult social care users.

We do not have the information on the income and asset levels of the people who are receiving the most expensive community-based packages therefore it is not possible to say what the impact would be and which community groups would be impacted on if a threshold for contribution was applied.

The ability of adult social care users to deal with financial matters

In response to the question "do you usually deal with finances and paperwork by yourself?", 58% of adult social care users report not being able to do this¹⁰. 20.5% say they can do this with help, and the remaining 21.5% say they can do this easily by themselves. The proportion of people reporting being unable to deal with finance and paperwork drops to 55% for homecare users, but rises significantly for respondents using day care, respondents with a learning disability and respondents of a Bangladeshi ethnic background (71.5%, 77%

¹⁰ February 2015, Annual Adult Social Care Survey in Tower Hamlets. Sent to approximately 3,500 service users with an average response rate of approximately 30%

and 78% respectively). Collectively, this suggests that the majority of adult social care users would need advice and support in order to make and manage a financial contribution towards the cost of their care.

Resident feedback on charging for adult social care

Feedback from residents, adult social care users and carers has been mixed¹¹. Many disagree with the principle of charging for adult social care services in the community.

However, a number of people feel that this proposal will be fairer by ensuring that those who can afford to pay, do so, as in other local areas. Respondents suggest that the income this generates could be positive for adult social care services given the savings that have to be made. Most respondents were keen to stress that those on low incomes should not have their income lowered further, and many felt that services should be free to all. On balance the comments received do not support charging for care with services users unsure what impact charging may have on them and having a level of concern over this.

Some feedback raised through consultation included:

From the survey

- From what I have read in your leaflet the Council's approach seems fair.
- I appreciate the council is in an impossible position. My personal view is having a minimum protected income is probably the most equitable approach.
- It is reasonable that people on higher income contribute towards their care so long as all avoidable reasonable costs of living are offset.
- It is not fair. There should be a budget allocated for the people who need support and they shouldn't have to pay, the Council should. I am 75 years old, I don't want to be worrying about the support and care I receive being reduced due to new rules of money to pay for social care.
- Lots of people who need support won't be able to afford it.
- It shouldn't affect the savings of working class people who worked hard and put some savings aside to use at old age only to be punished for having this savings and have to contribute. This would discourage people from saving money as they fear the state will take it away in charges.
- Charging will result in principally older and vulnerable residents trying to manage alone which will undoubtedly result in acute hospitalisation

From events and voluntary sector submissions

- A concern that those in need of help may be "put off" from approaching adult social care for fear that they will have to pay. Clear and careful communication is being devised to help mitigate against this risk.
- A concern that those receiving help may feel like they have to reduce the support they receive or not accept further help in order to protect their assets or savings. Clear and careful communication will help mitigate against this risk.
- A concern that the most vulnerable may have difficulties in budgeting. Financial assessors will be trained in benefits maximisation and will be able to direct people to support around budgeting .
- A concern that the most vulnerable may not be assertive enough to appeal against financial decisions they disagree with. The council commissions advocacy services

¹¹Online survey results (563) and feedback from community group events (99 attendees).

who will be able to provide support

Equality Impact Assessment – Approach

This proposal introduces the principle of charging for community-based services. This Equality Impact Assessment focuses on home care and day care as the two most commonly used community-based support services. More detail is in the next section.

APPENDIX 8

**London Borough of Tower Hamlets
Adult Services Directorate**

**Adult Social Care Charging Policy
(Includes deferred payments)**

Document Control

Author	Joanne Starkie (Community Engagement, Quality and Policy Manager)	Date	16 th August 2016
Department	Adult Services Directorate	Phone	020 7364 0534

Review Date	Review Method	Reviewers	
16.08.16	Review to incorporate changes to charging for community-based services	J Starkie	
Version	Date	Summary of changes	Author
0.1	16 th August 2016	Draft developed	J Starkie
0.2	2 nd September 2016	Draft revised with feedback	J Starkie
0.3	6 th September 2016	Incorporates deferred payments	L Richards
Authorisation			
Name	Date	Version	
Security classification: Unrestricted			

1. Purpose

- 1.1 This policy sets out the framework for charging for adult social care services. The scope of the policy covers both residential care and community-based adult social care services.
- 1.2 This policy also sets out the approach in Tower Hamlets to residents deferring payments for residential or nursing care. This part of the policy is applicable to adults in Tower Hamlets who need residential or nursing care.
- 1.3 The London Borough of Tower Hamlets has a strong commitment to promoting the wellbeing and independence of all people eligible for care and support. We recognise that at the point of needing care and support, families should not have the added stress of selling their home to pay for care. By using the Tower Hamlets Deferred Payments Scheme, a person can defer or delay paying the costs of their care and support until a later date.
- 1.4 There is a separate policy for top ups.

2. Definitions

- 2.1 Service user
For the purposes of this policy, a service user is defined as someone who meets the eligibility threshold for adult social care services.
- 2.2 Carer
For the purposes of this policy, a carer is defined as “someone who helps another person, usually a relative or friend, in their day-to-day life”. This definition is taken from Care Act statutory guidance.
- 2.3 Care package
This is defined as the support someone receives as a result of meeting the 2014 Care Act national eligibility threshold.
- 2.4 Capital
This broadly refers to the amount of savings someone has, plus the value of any valuable items (“assets”).
- 2.5 Income
This broadly refers to money received on a regular basis, such as income through employment earnings, pensions or benefits.
- 2.6 Deferred payment
This is defined as a temporary postponement of a payment of an outstanding bill or debt.

3. Scope

3.1 Staff

The Charging Policy will be applied by all staff providing support under the provisions of the Care Act 2014 on behalf of the London Borough of Tower Hamlets. This includes staff working in the Community Learning Disability Service and Community Mental Health Teams (jointly managed by the local authority and East London NHS Foundation Trust).

3.2 Social care services

The Charging Policy sets out our approach to charging (including our approach to services that are free) across all adult social care services. This includes:

- Information and advice services
- Preventative services
- Carer services
- Residential and nursing care for those who meet the national eligibility threshold as defined in the 2014 Care Act
- Community-based services for those who meet the national eligibility threshold as defined in the 2014 Care Act

It should be noted that different charging rules apply to different services. These are explained more fully in the policy.

3.3 Housing-related support

“Housing-related support” refers to what was formerly known as the Supporting People programme. This Charging Policy does not include our approach to charging for housing-related support, as this does not fall under 2014 Care Act statutory guidance.

3.4 Service users and carers

3.4.1 This policy applies to service users and carers who are considered to be ‘ordinarily resident’ in Tower Hamlets¹².

3.4.2 Service users who are considered to be ‘ordinarily resident’ in another council area and are being supported by that Council will be subject to the Charging Policy of that council.

3.4.3 The deferred payments elements of this policy apply to Tower Hamlets service users who are eligible for residential or nursing care. The policy will also have implications for the carers of people eligible for residential or nursing care.

4. **The legal context**

4.1 Much of this policy is determined by the 2014 Care Act and accompanying statutory guidance. Details on this guidance can be found [here](#).

¹² Statutory guidance arising from the 2014 Care Act on how ordinary residence is determined, can be found here: <https://www.gov.uk/government/publications/care-act-statutory-guidance/care-and-support-statutory-guidance#Chapter19>

4.2 The Care Act permits a local authority to recover a reasonable charge for social care from service users who satisfy the authority that they have sufficient means for them to pay for the service.

5. Key principles

5.1 Charging for residential care

5.1.1 The financial contribution a service user will be required to pay towards their care package will be determined through a financial assessment.

5.1.2 Service users will only be required to pay what they can afford.

5.1.3 We will not charge service users more than the full cost of providing their services. This is reviewed on an annual basis.

5.1.4 We will provide clear, timely and transparent information so that people can easily understand our approach to charging.

5.1.5 If a service user received more than one charged-for service, charges will not be made for any one service in isolation.

5.1.6 We recognise that it is important that people are not deterred from seeking help due to this policy. We will endeavor to communicate this policy in accessible ways to ensure that people have a good understanding of our position in relation to charging.

5.2 Deferred payments: the implementation of the Deferred Payments Scheme is guided by the following principles:

5.2.1 We will follow the entitlement and eligibility criteria which is set nationally;

5.2.2 The scheme is offered to all those that are eligible so that they are not forced to sell their home to pay for care at the point of entering into care;

5.2.3 The scheme is offered to people who have local authority-arranged care and support, and to people who arrange and pay for their own care, subject to criteria stated in this policy;

5.2.4 That information is available on the Deferred Payments Scheme so that all individuals can make an informed decision about whether the Scheme is right for them;

5.2.5 That our decisions are guided by appropriate statutory guidance and regulations to ensure fairness and consistency;

5.2.6 That those who can, make a contribution towards their care costs;

5.2.7 That the Deferred Payments Scheme is self-financing and sustainable.

6. Services provided free of charge

6.1 Assessments

Assessments in adult social care are provided free of charge.

6.2 Information and advice

Information and advice services that are provided or commissioned by adult social care are free for residents to use.

6.3 Preventative services

Preventative services that are provided or commissioned by adult social care are free for residents to use. This includes:

- Reablement
- Telecare and assistive technology
- “Universal” services that are commissioned by adult social care, such as visiting LinkAge Plus Centres or employment-related support.

6.4 Community equipment

Community equipment (aids and minor adaptations) provided as a result of an Occupational Therapy assessment is free for residents. An adaptation is minor if the cost of making the adaptation is £1,000 or less.

6.5 Aftercare provided under the Mental Health Act

After-care services provided under section 117 of the Mental Health Act 1983 are provided free of charge.

6.6 Other services provided free of charge

In line with the requirements of the 2014 Care Act, the other care and support services that are provided free of charge are:

- Care and support provided to people with Creutzfeldt-Jacob Disease
- Any service of part of service that the NHS is under a duty to provide.

6.7 Carer services

6.7.1 Support services for carers that are provided or commissioned by adult social care are free. This includes information, advice and preventative services that all carers can access, as well as care packages for carers who meet the national eligibility threshold.

6.7.2 In line with statutory guidance, it should be noted that “replacement care” (which is often in the form of respite care) is part of the cared-for person’s care package, even if it is put in place primarily to support the carer¹³. We charge for replacement care in the form of replacement respite care or replacement home care

¹³ Please see Section 11 of Care Act statutory guidance for more details on this:

<https://www.gov.uk/government/publications/care-act-statutory-guidance/care-and-support-statutory-guidance>

6.7.3 There may be instances where the carer meets the eligibility threshold for support from adult social care, but the person they care for does not. In these instances, “replacement care” would have to be part of the carers’ care package. As such, replacement care in these circumstances will be free of charge.

7. Overview of charged-for adult social care services

7.1 Residential and nursing care

We charge for care and support delivered in a care home on a temporary or permanent basis.

7.2 Community-based services

We charge for the following community based services:

- Care and support delivered in Extra Care Sheltered Housing on a temporary or permanent basis.
- Internal and commissioned home care (also known as ‘domiciliary care’) provided to service users
- Internal and commissioned day care
- Transport provided by the local authority to and from day care
- Residential respite care
- Services purchased by a service user using a personal budget or direct payment

7.3 Actual costs

When calculating the cost of care, we use the actual cost of services (rather than a “usual” cost to represent the maximum amount of funding we will usually be prepared to pay for a particular service). Service users who would like a more expensive option can usually pay the difference from their own funds. More details on this are provided in the “Adult Social Care Top-Ups, Usual Cost and Preferred Accommodation” policy and the “Adult Social Care Personal Budget and Direct Payment policy”.

8. Charging for long-term residential care

8.1 Service users who are assessed as being eligible for long-term residential care will receive a financial assessment. This financial assessment will determine what (if any) financial contribution a service user has to make towards the cost of care. This financial assessment is repeated each year, or sooner if there is a change in circumstances.

8.2 We charge service users their assessed contribution. If there is a delay in organizing a full financial assessment, we will charge service users an amount of money that mirrors Care Act 2014 national guidance. This is to ensure that service users do not receive a large bill once a financial assessment has been carried out. Details on current rates are included in Appendix II. We are able to backdate a charge for clients who are already in receipt of appropriate benefits. However, we are limited to only backdating for a period of three months following a new benefit claim required for those entering residential or nursing care.

- 8.3 The financial assessment will take into account income and capital. It will take into consideration any mandatory disregards of income, capital and property as defined in the 2014 Care Act.
- 8.4 Where a person has been assessed as having eligible needs for residential or nursing care and owns a property, during the first 12 weeks stay in residential care, the capital value of the property is disregarded. After this time, the capital value of the property is included as capital in a financial assessment.
- 8.5 If a service user has savings or capital assets in excess of the upper capital limit, they will be charged the full cost for their care. The upper capital limit is set by the government and is subject to change. Details on current rates are included in Appendix II.
- 8.6 If a service user has capital of less than the “lower capital limit” (details on current rates are included in Appendix II), we will:
- Disregard this capital in calculations
 - Still consider income in calculations
 - Not take savings into account.

Anyone receiving full funding will have to contribute all of their income (including benefits) to the local authority, except for the “personal expenses allowance”. The “personal expenses allowance” is set by the government and is subject to change. Service users may have an additional amount added to their “personal expenses allowance” based on the level of their occupational or private pension. This is called the “Savings Credit Disregard”. Details on current rates are included in Appendix II.

- 8.7 If a service user has capital between the “lower capital limit” and “upper capital limit” they will have to contribute towards care home fees. They will have to:
- Contribute a certain amount of their savings, which is called “tariff income”. Tariff income rates are determined by national guidance. Details on current rates are included in Appendix II.
 - Contribute all of their income (including benefits) to the local authority, except for the “personal expenses allowance”, explained in section 8.6 above.
- 8.8 The value of a service user’s property will not be taken into account if it is occupied by:
- A partner, civil partner or a lone parent who is the service user’s estranged or divorced partner
 - Someone that is aged 60 or over
 - A child aged under 16 of the resident
 - Someone who is incapacitated
- 8.9 There are also a number of ‘statutory income disregards’ that we must ignore in financial assessments, and a number of income sources that must be taken into

account. These are set out in statutory guidance and are summarised in Appendix III.

8.10 A service user with a deferred payment may wish to rent their property whilst in long-term residential care. If the property is to be rented, rental income net of relevant charges (such as management fees) will be included in the financial assessment. Service users will be able to keep 10 per cent of their rental income to pay for things like insurance and repairs. The remainder will be included as investment income for financial assessment and charging. Investment income will be viewed as a potential contribution towards the cost of care.

8.11 Service users have the option of deferring payments for residential or nursing care until a later date. More details on this are provided in the “. Deferred Payments” section of this policy.

8.12 Any charges are applied from the date care commences.

9. Charging for community-based services

9.1 Service users who have community-based services included in their care package will receive a financial assessment. This financial assessment will determine what (if any) financial contribution a service user has to make towards the cost of care. This financial assessment is repeated each year, or sooner if there is a change in circumstances.

9.2 Community-based services refer to:

- Home care (also known as ‘domiciliary care’) Home care includes replacement care provided at home which is intended to act as a form of respite.
- Day care (also known as ‘day centres’)
- Transport to and from day care
- Personal care element of Extra-care sheltered housing
- Services or items purchased with a direct payment or factored into a managed personal budget amount¹⁴,
- A temporary stay in residential care¹⁵. A temporary resident is defined as a person whose need to stay in a care home is intended to last for a limited period of time, and where there is a plan to return home. The person’s stay should be unlikely to exceed 8 weeks at a time, or in exceptional circumstances, unlikely to substantially exceed 8 weeks.

9.3 As noted previously, respite or replacement care is part of the service users care package, even if the primary purpose of this respite care is to provide relief and respite to a carer. If respite is in the carer’s care package (due to a service user being ineligible for support), it will be provided free of charge to the carer.

9.4 The financial assessment will take into account income and capital.

¹⁴ Items that are provided free of charge (e.g. preventative services) could be part of a service user’s support package, but would not be in their direct payment amount due to being freely available

¹⁵ Please see 8.34 of Care Act statutory guidance: <https://www.gov.uk/government/publications/care-act-statutory-guidance/care-and-support-statutory-guidance>

9.5 However, there are also a number of ‘statutory income disregards’ that we must ignore in financial assessments, and a number of income sources that must be taken into account. These are set out in statutory guidance and are summarised in Appendix III. The main sources of income that we will ignore include:

- Any earnings a service user receives from a job
- The mobility component of Disability Living Allowance or Personal Independence Payments
- The first £10 per week of War Widows or War Widowers pensions
- Housing Benefit
- Council Tax Benefit
- Child Benefit
- Christmas bonus payments
- Social fund payments
- Winter fuel payments

9.6 Disability-related expenditure is deducted from income in a financial assessment.

9.7 Housing-related expenditure is deducted from incomes in a financial assessment. This is made up of:

- Mortgage payments
- Rent
- Ground rent
- Council tax
- Service charges

9.8 We then deduct the minimum amount of income service users need to live on. This is called the “minimum income guarantee”. These amounts are listed in Appendix II. They are set nationally each year with a local policy to uprate the amounts for some users (see paragraph 9.10).

9.9 Likewise, some types of capital are disregarded in financial assessments. These are set out in statutory guidance and are summarised in Appendix III. The main sources of capital that we will ignore include:

- The value of a service user’s home (although the value of a second home may be considered)
- The value of a service user’s possessions

9.10 Local discretions

The council has discretion to apply additional allowances in order to ensure that a person who receives care and support outside a care home will have sufficient income remaining to meet their daily living costs such as rent, food and utilities
The following local discretions will be applied:

- A £15 allowance for utilities
- A basic MIG for all those below pension age, equivalent to the rate for a single person over 25 including disability and enhanced disability premiums. The MIG applied to all service users will be either the relevant statutory rate or the locally enhanced rate, whichever is the highest.
-
- A £250 max weekly care charge

10. Charging for meals

Hot and frozen meals delivered to the home of the service user (“meals on wheels”) and meals provided in day care services are all charged at a standard flat rate, and are not subject to a financial assessment. These standard charges are subject to revision from time to time. These changes will be communicated by the service to the service user with as much notice as possible.

11. Carrying out financial assessments

11.1 Service users can expect financial assessments to take place swiftly and without delay.

11.2 Financial reassessments will take place annually unless there is a change of circumstances. A service user can request a financial reassessment at any time.

11.3 Financial assessments will be carried out in accordance with our Mental Capacity Policy and Procedures.

11.4 We will carry out a ‘light-touch’ financial assessment¹⁶ if we have seen clear evidence that a service user can afford, and will continue to afford, any charges due. This applies to when:

- A service user has significant financial resources, and does not wish to undergo a full financial assessment for personal reasons, but wishes nonetheless to access local authority support in meeting their needs. In these situations the local authority may accept other evidence in lieu of carrying out the financial assessment and consider the person to have financial resources above the upper limit.
- Where we charge a small or nominal amount for a particular service (e.g. for subsidised services) which a service user is clearly able to meet and would clearly have the relevant minimum income left, and carrying out a financial assessment would be disproportionate.
- When a service user is in receipt of benefits which demonstrate that they would not be able to contribute towards their care and support costs.

11.5 As part of the financial assessment process, advice will be provided to service users regarding benefit entitlement. This is to support service users to maximise their income and mitigate as far as possible any adverse impacts of having to pay a

¹⁶ Whereby we treat a person as if a financial assessment has been carried out

financial contribution. This may include assistance to complete applications or signposting to relevant agencies and services.

- 11.6 As part of the financial assessment process we will identify where a service user is potentially entitled to benefits that they are not claiming, and provide reasonable advice and assistance to support a claim. We will refer service users to specialist financial advice if a need for this is identified during the assessment process.
- 11.7 We will encourage service users to disclose financial information. In situations where this is refused, we will assume that the service user is eligible to pay the full cost of services.
- 11.8 A written record of the financial assessment will be given to the service user to explain how the assessment has been carried out.

12. Couples

- 12.1 The definition of a couple for the purposes of this policy is:
- Married or in a civil partnership and living in the same household; or
 - Living together as a couple in the same household
- 12.2 When carrying out a financial assessment, we will only look at the income, capital and expenses of the person receiving care. To do this when assessing one member of a couple as a single person, the following will apply in line with statutory guidance:
- 100% of solely owned and 50% of all jointly owned capital will be taken into account, unless evidence can be produced to show the exact allocation of funds.
 - All assessable income appropriate to the individual will be taken into account. Where benefits are paid at the couple rate, the benefit will be apportioned
 - 50% of the couple's total joint household expenditure will be allowed for
 - The minimum income guarantee will be as set out in statutory guidance.

13. Change in circumstances

- 13.1 Service users will be informed that they must notify the local authority of any changes to their financial circumstances. Upon notification, we will arrange for a financial reassessment as appropriate.
- 13.2 Changes to contributions can be backdated. If there has been a change in circumstances that results in a service user being eligible to pay more towards the cost of care, payments will be adjusted and/or backdated to the date the change came into effect. If there has been a change in circumstances that results in a service user being eligible to pay less towards the cost of care, we would expect the service user to notify of us this change and provide evidence to this effect. In this scenario if we are not informed, the maximum we will backdate payments to is three months (unless there are exceptional circumstances).

- 13.3 The Council reserves the right to carry out a financial reassessment at any point relating to current or historical services provided. This may require service users to provide new or additional information and evidence where necessary.
- 13.4 Where appropriate, we may automatically carry out a financial reassessment based on changes that we become aware of through things like regulation changes or national policy changes. These may include annual increases to standard benefits payments such as the State Retirement Pension, occupational or other private pensions (except fixed rate annuities) or service cost increases.
- 13.5 Service users will be notified promptly of any changes that might affect the amount they pay towards the cost of care. No increased charge will apply before written notification of the new charge and its effective date has been issued to the service user, unless there has been a change that the service user has not notified us of in a reasonable timeframe.

14. Deprivation of assets

- 14.1 If someone has deliberately deprived themselves of capital or an asset to reduce their financial contribution to care costs, this may be treated as deprivation of funds.
- 14.2 In reaching a decision about deprivation of assets, the Council will follow the Care Act 2014 statutory guidance (Annexe F.)
- 14.3 In the event that a service user is found to have deprived themselves of assets for the purpose of avoiding care costs, the Council will complete the financial assessment assuming a notional level of assets equivalent to the value of assets prior to the deprivation taking place. This will be applied for a period that is considered reasonable with regard to the level of assets and the level of contribution to care costs required.
- 14.4 In all cases where it has been decided that a service user has deprived themselves of assets, this will be confirmed in writing to the service user and/ or their representative, including the reason for the decision and how this will affect the assessed charge. There will be a right to review/ appeal as set out in section 33 of this policy.

15. Access to care and assessment of ability to pay charges

- 15.1 Once someone has been assessed as needing a service, that service will not be withdrawn solely if the service user refuses to pay the charge. The service will continue to be provided, but any debt outstanding will be pursued - if necessary through the civil courts – in line with our Debt Recovery Policy which details our approach to recovering debts from vulnerable adults.

16. Services not provided as planned

- 16.1 If services are not delivered for whatever reason and no costs are incurred, no charge for that element of the care will be made in respect of that period. This may or may not have the effect of reducing the amount which the client is assessed to pay, depending on the individual's circumstances and their financial assessment.

16.2 However, there may be occasions when services are not delivered but costs are still incurred (for example, if a service user is not at home for a scheduled visit). In these circumstances, charges will continue to apply.

17. How payments will be collected

17.1 Where the local authority is arranging care for a service user, their financial contribution will be paid to the local authority.

17.2 Where a service user is receiving a direct payment, their financial contribution will be automatically deducted from that amount.

18. Debt recovery

18.1 Services to meet assessed needs will not be refused or withdrawn if a person does not pay their assessed charge, or lodges an appeal against their assessed charge, this will ensure that vulnerable adults remain safe in the community and are not left without the care they have been assessed as needing Debt recovery will be pursued for any outstanding verified charges.

18.2 We will take all appropriate and necessary steps to recover non-payments, in line with our Debt Recovery Policy.

19. Deferred payments- eligibility?

London Borough of Tower Hamlets (LBTH) will offer a deferred payment to people who meet the eligibility criteria set out below:

19.1.1 Anyone who is eligible to have their care needs met by the provision of residential or nursing care¹⁷;

19.1.2 Anyone who has savings less than (or equal to) the upper capital limit of £23,250¹⁸, excluding the value of their home (i.e. in savings and other non-housing assets); and that there is sufficient value in their home to meet the criteria for self-funding;

19.1.3 Anyone whose home is not 'disregarded' in a financial assessment. For example, a home that is not occupied by a spouse or dependent relative as defined in regulations on charging for care and support would be taken into account as part of a financial assessment on paying for residential or nursing care;

19.1.1 Anyone who meets the eligibility criteria must also have the mental capacity to enter into a Deferred Payments Scheme or have a person legally appointed to manage their finances such as through a Deputyship or a Lasting Power of Attorney. They

¹⁷ This is determined when someone is assessed as having eligible needs which the Council decides should be met through a care home placement. This should comply with choice of accommodation regulations and care and support planning guidance and so take reasonable account of a person's preferences

¹⁸ As of August 2016 - This figure is subject to national guidance and is not determined by the Council

will be responsible for the Deferred Payment Scheme and reporting any changes of circumstances.

19.2 Discretion

In some circumstances we may be more generous than the criteria set out above. If an individual does not meet the above criteria we will take into account the following discretionary areas¹⁹:

- 19.2.1 Whether someone has other accessible means to help them meet the cost of their care and support;
- 19.2.2 If a person is narrowly not entitled to a deferred payment agreement because they have slightly more than the asset threshold, including individuals who are likely to meet the eligibility criteria;
- 19.2.3 If in meeting care costs, someone is likely to have very few accessible assets such as assets which cannot quickly/easily be liquidated or converted to cash.
- 19.2.4 Financial Assessment Officers who determine that a deferred payment should be offered to a service user who does not meet the criteria outlined in section 6.1 will need to gain authorisation from the appropriate Service Head.

20. Under what circumstances would we refuse deferred payments?

20.1 Circumstances leading to a refusal of a deferred payment

We will always offer a deferred payment to anyone who is eligible and where the Council is able to secure the debt against the property. However, there are circumstances where we may refuse a request to safeguard the local authority against default or non-repayment of a debt. We may refuse to enter into a deferred payment agreement even if someone meets the eligibility criteria under the following circumstances:

- 20.1.1 If we are unable to financially secure the property by placing a first charge on the property. We would have to be satisfied that we could gain ownership of the property or assets at the point of termination and be satisfied that there is at least one years' worth of funding in the property. The property would also have to be insurable;
- 20.1.2 Where someone is seeking a top up and does not agree to the terms and conditions of the agreement;
- 20.1.3 We may refuse offer of a deferred payment if the person lacks capacity and there is no appointed deputy to make a decision. All staff involved will be guided by the

¹⁹ In these situations we will seek to offer a deferred payment agreement but will be guided by 'how much can be deferred' (see section 12) to determine the amount that is sustainable and that it reflects their core care costs without any top-ups and agree a deferral. The individual can then choose whether they wish to agree to the DPA.

Mental Capacity Act 2005 (MCA) in these circumstances. If someone lacks mental capacity and does not have a representative to act on their behalf, there is an option for the local authority to manage their finances under a “Court of Protection” deputyship arrangement.

20.2 Refusing any further deferred charges

Once a deferred payment been agreed there are circumstances in which we may refuse to defer any further charges. This includes:

- 20.2.1 When the individual’s total assets fall below the level of the means-test and they become eligible for local authority support in paying for their care;
- 20.2.2 Where an individual no longer has need for care in a care home (or supported living accommodation in the future);
- 20.2.3 If terms of the contract set out in the legally binding Deferred Payment Agreement is breached and our attempts to resolve the breach is unsuccessful and the contract specifies this;
- 20.2.4 If, under the charging regulations, the property becomes disregarded for any reason and the individual consequently qualifies for local authority support in paying for their care, including but not limited to:
- Where a spouse or dependent relative (as defined in charging regulations) has moved into the property after the agreement has been made, where this means the person is eligible for local authority support in paying for care and no longer requires a Deferred Payment Agreement; and
 - Where a relative who was living in the property at the time of the Agreement subsequently becomes a dependent relative (as defined in charging regulations). The local authority may cease further deferrals at this point.
- 20.2.5 We will cease deferring further amounts when the ‘equity limit’ allowed to be deferred has been reached (see Section 18 of this policy); or when a person is no longer receiving care and support in either a care home setting or in supported living accommodation. This also applies when the value of the security has reduced and so the equity limit has been reached earlier than expected.
- 20.2.6 In cases where we refuse to defer any further charges, we will not demand repayment of future instalments in these circumstances. However, the repayments will be subject to the terms of termination as set out in Section 18 of this policy.

20.3 Discretion in refusing a deferred payment

- 20.3.1 In any of the above circumstances, we will consider whether to exercise discretion to offer a deferred payment (for example, if a person’s property is uninsurable but has a high land value we may choose to accept charges against this land as security instead). In all cases we will have to financially secure the recovery of the debt.

20.3.2 We will not exercise the discretionary powers set out in this section if a person would, as a result, be unable to pay off any income due to the local authority from their non-housing assets.

20.4 Notice of ceasing future deferred payments

20.4.1 We will provide a minimum of 30 days' notice that further deferrals will cease and will provide the individual with an indication of how their care costs will need to be met in future. It will be based on the individual's circumstances and our duties under the 'well-being' principle as set out under the Care Act and can be funded by us or from the individuals' income and assets.

20.4.2

21. What information will residents be provided with on deferred payments?

21.1 We recognise that moving to a residential or nursing home can be a challenging time for service users and their loved ones. The Financial Assessment Officer will provide all the necessary information available to service users and carers to enable them to make an informed decision about entering into a deferred payment agreement. The information we provide will be clear and easy to read, in line with our Accessible Information Policy.

21.2 The Financial Assessment Officer will ensure that service users entering residential or nursing care are made aware of the ability to enter into a Deferred Payment Scheme; the eligibility criteria; that this involves using their home as a security so that the costs of paying for care can be paid at a later date such as when the home is sold to repay the full amount; and the implications of entering into the agreement on the income and benefits entitlement of the individual.

21.3 The Financial Assessment Officer will make service users aware that they have the right to seek independent financial advice, and will provide an overview of the advantages and disadvantages of the Deferred Payments Scheme and other options for paying for care for their consideration.

21.4 The Financial Assessment Officer will ensure that service users are aware of the 12 week disregard to enable service users to have time to consider their options for care.

21.5 The Financial Assessment Officer will inform individuals of the administration charge in Tower Hamlets when entering into a Deferred Payment Agreement. See Section 14 of this policy for more details.

21.6 The Financial Assessment Officer will explain the security we will be willing to accept. See Section 11 of this policy for more details.

21.7 The Financial Assessment Officer will be clear about the amount that can be deferred and the circumstances in which we will stop deferring further amounts.

21.8 The Financial Assessment Officer will explain what needs to happen so that individuals are not in breach of the Deferred Payments Agreement, and the

consequences if they do not repay the amount/s due. The Financial Assessment Officer will also explain what will happen when the agreement is terminated and the options for repayment.

21.9 Information on the Deferred Payments Scheme is published on the Council's website for service users and carers. The website includes information about Financial Services Authority regulated financial advisors who can provide independent financial advice.

22. Calculating payments for the first 12 weeks someone is in residential care

22.1 Where a person has been assessed as having eligible needs for residential or nursing care and owns a property, during the first 12 weeks stay in residential care, the capital value of the property (i.e. the value of the house) is disregarded. This will allow time for the service user to decide whether they will choose to sell, rent or enter into a Deferred Payment Agreement with the local authority.

22.2 After 12 weeks, unless there is statutory disregard of the property, the property is taken into account as a capital resource. This means its value will be taken into account when assessing how much someone needs to pay towards the cost of their residential care. By the 13th week of residential or nursing care we will ensure a smooth transition to the Deferred Payments Scheme.

22.3 If it is necessary to sell the property immediately to fund the care, i.e. where any other available resources are below the upper capital limit (currently £23,250), then a 12 week property disregard will be automatic and the Deferred Payment Scheme will be available subject to the appropriate eligibility criteria.

22.4 Persons already in residential care who may need to access local authority funding are not entitled to the 12 week property disregard. However, if the request to access local authority support is made due to a sudden and unexpected change, we have the discretion to allow a 12 week property disregard. An example where we might consider exercising this discretion might be a person's partner dying suddenly. Staff seeking to exercise this discretion will need to gain prior approval from a relevant Service Head.

23. Deciding not to sell a home and refusing a deferred payment

23.1 An individual may wish not to sell their property and choose not to defer payments for nursing or residential care. If this decision is made, the full cost of their care would still be payable and we will invoice as such. If there is failure to make payments on the invoices, we will pursue the payments through our debt recovery process. Practitioners will encourage all individuals to seek independent financial advice if they are unsure about deferring payments.

24. Getting security against a deferred payment

24.1 As part of agreeing to a deferred payment, the Council is required to have adequate security against the deferred amount. The individual or their representative is

responsible for providing the evidence that they are able to give the Council adequate security.

24.2 For homeowners, security is in the form of a legal “charge” against the property whether the property is sole, joint or a Tenancy in Common in place. The “charge” is the security that supports the local authority in recovering the accrued debt, and is registered on the property title deeds held by the Land Registry Office. In all cases we will need written agreement to have a first charge against the property and will be required to have this in place so that the Council is able to recover the accrued amount before we can agree to a deferred payment.

24.3 The Council has the discretion to accept other forms of security on a discretionary case by case basis if it is unable to obtain security against the property. Staff seeking to exercise this discretion will need to obtain prior approval from a relevant Service Head. We will only accept this if there is adequate security against the chosen form of security and the Council is clear that it will be able to recover the accrued amount. Other forms of security we may consider include:

- Third party guarantor;
- A solicitors undertaking provided in writing ;
- A valuable object;
- An agreement to repay the amount deferred from the proceeds of a life assurance policy.

25. How much can be deferred

25.1 The Council will only defer the amount that the statutory guidance allows to be deferred. This is usually the actual cost of care and support, minus the assessed financial contribution. It is considered by looking at the equity available in the security chosen, contributions from other sources and the total costs a person will face.

25.2 Where a property is used as security to offer a deferred payment agreement, the total amount that can be deferred is:

- The value of the property
- Minus 10%
- Minus the lower capital limit (£14,250 at the time of writing)
- Minus the amount of any encumbrance secured on it. “Encumbrance” refers to any outstanding mortgage or debt secured on the property²⁰.

For example:

Market value of property	£600,000
Less 10%	- £60,000

²⁰ If there is a mortgage, the mortgage lender gets precedent in terms of securing first charge. As such, the local authority will be ranked as second charge. The local authority therefore cannot offer deferred payment on the full amount but only on the part not covered by mortgage, if any.

Less lower capital limit	- £14,250
Less outstanding mortgage	- £2,500
Maximum that can be deferred	£523,250

25.3 When an individual is reaching the point at which they have deferred 70% of the value of their chosen security, we will work with the individual to review the cost of care. This will include a view of any means-tested care and support they receive and review whether a deferred payment is the best option for them.

26. Other options to pay for care and support

26.1 The Deferred Payments Policy is one option available to pay for the cost of care and support. The other options might include sources of income, savings or other assets or a financial product (such as insurance) designed to pay for long term care. Individuals may choose to use a mix of these options. We will clearly set out the full range of financial information for all individuals based on their assessment and financial position.

26.2 Individuals entitled to a Deferred Payment Agreement will have a financial assessment to make contributions towards the cost of care and support. This will be based on their assessable income and any capital such as savings as set out in this policy.

26.3 An individual who has a deferred payment can retain a Disposable Income Allowance. This amount is designed to be used to meet housing-related costs, such as utility bills and maintenance costs. From this, an individual can decide (if they choose) to keep less of this amount in order to reduce the debt accrued through the Deferred Payment Scheme.

26.4 Individuals and family members may wish to top-up the cost of their care to buy care and support services in addition to that provided by the local authority. However, it is not possible for individuals to take a deferred payment on the top-up element of their care package.

26.5 Renting the property

- An individual may wish to rent their property. This can be through the private market. We would expect to see a tenancy agreement as evidence of this as part of securing the property.
- We can support individuals or their representatives to rent their properties by providing them with information and advice on how to go about doing this.
- If the property is to be rented, rental income net of relevant charges (such as management fees) is to be notified to the Financial Assessment and Benefits team. Service users will be able to keep 10 per cent of their rental income to pay for things like insurance and repairs. This amount is in addition to the Disposable Income Allowance described in Section 26.3. This amount will be excluded in the financial assessment calculation to see how much an individual needs to pay towards the cost of residential or nursing care. The

remainder of rental income will be included as investment income for financial assessment and charging. Investment income will be viewed as a potential contribution towards the cost of care. Rental income should be used to pay for care home charges in preference to accruing further deferred charges.

27. Interest, charges and fees

27.1 The Council will not charge interest on deferred payments, until the death of a service user as set out in paragraph 31.1.4.

27.2 An administration charge is applied to all Deferred Payments Agreements that are accepted. This is based on a number of costs which we incur in setting up the deferred payment. This will only reflect the actual costs. This includes but is not limited to the following:

- Registering a legal charge against the property with the Land Registry;
- Cost of removing the legal charge;
- Land registry search;
- Postage, printing and telecommunication charges;
- Cost of staffing time;
- Cost of valuation and re-valuation of property

Appendix IV provides guidelines for calculating administration fees and the current amount applied (as of August 2016). These amounts will be reviewed every December and July, or more frequently if required.

28. Valuing a property

28.1 The Council will undertake a valuation of the property being used in the deferred payment. The value of the property will inform how much equity is available in order to decide how much money can be deferred. The person or their representative entering into the deferred payment agreement can undertake an independent valuation at their own cost if they wish. If the valuation differs significantly, a joint decision between the individual and the Council will be made on the valuation to apply. Any disputes about property valuations will be dealt with under the review and appeals procedure as outlined in Section 20 of this policy.

28.2 For the duration of the deferred payment agreement, the Council will undertake a re-valuation of the property annually and as required. This is to ensure the upper limit of 70% is not exceeded or to ensure the sustainability of the deferred payment is not in question. Re-valuations will take place at least when the accrued debt has reached 50% of the agreed deferred amount or when there is a significant market correction of the property values. The costs of this can be tied into the deferred amount. Any disputes about property valuations will be dealt with under the review and appeals procedure as outlined in Section 20 in this policy.

29. Statements detailing deferred payments and outstanding debt

- 29.1 Every six months, service users will be sent a statement of their deferred payment. This will detail the deferred amount, the rate at which it is growing and an estimate of the length of time the remaining assets will be sufficient to fund the full cost of care.
- 29.2 Statements can also be sent out at any time if requested by the service user or their representative. A statement will be sent out within 28 days of any request.

30. The Deferred Payment Agreements

- 30.1 A formal legal Deferred Payments Agreement will be provided to the service user. The agreement confirms that the service user or their legal representative wishes to enter into a Deferred Payment Scheme and that all the implications have been explained. We will provide details of what will happen in taking out a Deferred Payment Agreement, the timescales involved and the policy in writing.
- 30.2 The Financial Assessment Officer completes a Charging Authority form, which is sent to the local authority's legal team. They then draw up the Deferred Payment Agreement and send this to the service user or their representative.

31. Ending or terminating a deferred payment

- 31.1 The deferred payment will end or can be terminated under the following circumstances:
- 31.1.1 The deferred payment will end when a person no longer has the need for care and support in a care home.
- 31.1.2 The Council will stop deferring further amounts when a person has reached the 'equity limit' that they are allowed to defer (see Section 12.2). This also applies when the value of the security has dropped and so the equity limit has been reached earlier than expected. In these circumstances we will write to the service user giving 30 days' notice of this. This aims to give the service user time to discuss and make plans for the continuation of care and support needs.
- 31.1.3 If a service user sells their property, the accrued debt must be repaid upon the sale. The sale of the property effectively terminates the deferred payment agreement.
- 31.1.4 On the death of the service user, the deferred payment arrangement ends. Care Act guidance expects that the debt becomes payable 90 days after death. We will provide a statement of the final debt within two weeks of the death of the service user to the relevant party. We will apply interest to the deferred payment amount from day 91 onwards if the amount is not repaid. The interest rate will be in line with the national maximum rate that local authorities can apply over the life of the deferred payment.
- 31.1.5 A service user can cancel their Deferred Payment Agreement at any time. A 30 day notice period applies and any outstanding balance must be repaid. If the balance is not repaid within an agreed timeframe, we will apply interest to the deferred payment amount from the first day the repayment is late. The interest rate will be in line with the national maximum rate that local authorities can apply over the life of the deferred payment.

3.1.15

32. Continuing Healthcare funding

32.1 If a service user enters into a Deferred Payment Agreement prior to health services agreeing to provide Continuing Care funding: Once the Continuing Care funding comes into effect, we would expect the service user to continue to make payments towards the deferred amounts. It is good practice to ask for voluntary payments to continue, wherever possible, as this will reduce the amount of the accrued debt set against the value of the property.

33. Reviews, appeals and complaints

33.1 People will be informed of their right to ask the Council for a review of financial assessment, if he or she considers that they cannot afford to pay it and/or if he or she considers that the assessment has been carried out incorrectly.

33.2 People will be made aware of their right to an appeal if, following the outcome of a review he or she still considers they cannot afford to pay. Please see the “Appeals Policy” in adult social care for more details on this.

33.3 People will be made aware of their right to make a formal complaint using the Adult Social Care Complaints procedure. Contact details are as follows:

- Telephone: 0800 374 176
- Address:
Freepost Plus
RRBZ-UCYT-ZLRX
The Complaints Officer, Tower Hamlets
Mulberry Place, 5 Clove Crescent
London
E14 2BG
- Email: complaints@towerhamlets.gov.uk

33.4 The decision made on an application for a deferred payment can be reviewed. The grounds for reviewing a decision include:

- The decision failed to take into account new information
- There are eligible care costs which the Council has failed to take into account.

33.5 Service users will be advised that they can ask for the decision on a deferred payment application to be reviewed. The decision on a review can be appealed within 20 working days of being notified of the review decision. If the individual finds the appeal decision to be unsatisfactory, they can request that the Council deal with the matter under the Councils complaints procedure.

34. Monitoring and review

34.1 This policy will be reviewed annually, or more frequently if needed.

34.2 The implementation of the policy will be reviewed as needed.

Appendix I - Glossary

	Term	Meaning
1	12 week disregard	For the first 12 weeks funded by the Council of a service user's permanent stay in care, the value of their main property is not taken in to account in care home fee calculations. They are not eligible for a deferred payment during this time.
2	Accrued debt	The total amount of money owed
3	Capital or capital resource	The combination of valuable items ('assets') and savings that a person has
4	Capital value	The amount of money someone has in savings plus the value of any valuable items ('assets').
5	Equity	The value of something once any outgoings have been considered
6	Equity limit	The total amount that can be deferred
7	Legal charge	This is a legal agreement stating that the Council can receive the value of a property to cover outstanding debt when it is sold. It is registered on the property title deeds held by the Land Registry Office.
8	Lower capital limit	A financial "limit". Any capital below this limit will be ignored when calculating how much a person may need to pay towards the cost of care.
9	Non-housing assets	Something with financial value that is not a house.
10	Security	Reassurance that a debt can be repaid
11	Statement of Accrued Debt	A document that sets out how much has been paid and how much is still owed
12	Tariff income	Tariff income rules apply to the portion of a client's 'Capital, Savings and Investment' i.e. between £14,250 and £23,250 that is considered in assessing how much they need to contribute/pay towards the cost of their care. Clients with over £23,250 are required to pay the full cost of their care. The current tariff income rule on non-residential charging is based on the assumption that for every £250 of capital or part thereof, the client is

		able to afford to contribute £1 per week towards the cost of their care. This amount will be added to the weekly income when assessing the weekly charge payable by eligible clients. Note that The Care and Support (Charging and Assessment of Resources) regulations 2014, provides flexibility for local authorities to apply discretion on using the minimum requirement of £1 for every £250.
13	Upper capital limit	A financial "limit". Any capital above the 'upper capital limit' must be put towards the cost of residential care.

Appendix II: Current rates set out in statutory guidance

Key rates set out in national statutory guidance for 2016-17 are as follows:

1. The minimum amount service users can expect to pay towards care home fees is £130.70 per week if they are over pension age or £80.45 if under pension age.
2. The lower capital limit is £14,250.00.
3. The upper capital limit is £23,250.00.
4. If a service user has capital between the “lower capital limit” and “upper capital limit” they will have to pay £1 for every £250 of their savings between these amounts (“tariff income”).
5. The personal expenses allowance is £24.90 per week.
6. The Savings Credit Disregard is £5.75 per week.
7. The statutory “minimum income guarantee” is set by Government each year. The weekly amounts for 2016-17 are:
 - £72.40 for adults under 25 years old
 - £91.40 for adults over 25 but less than pension age
 - £189 for people over pension age

There are also additional amounts for some people. These include:

- An additional amount for people with children. The 2016-17 weekly rate is £83.65.
- An additional amount for people receiving disability benefits. The 2016-17 weekly rate is £40.35.
- An additional amount for carers entitled to a carer premium. The 2016-17 weekly rate is £43.25.

Appendix III: Statutory disregards and inclusions

Statutory income disregards

Regulations specific that the income sources listed below must be ignored in the financial assessment. The Council *may* ignore (disregard) other sources of income as well, with exceptions listed at the end of this appendix.

- Employed and self- employed earnings
- Direct Payments
- Guaranteed Income Payments made to veterans under the Armed Forces Compensation Scheme
- The mobility component of Disability Living Allowance and Mobility Supplement
- The mobility component of Personal Independence Payments and Mobility Supplement
- Armed forces Independence Payments and Mobility Supplement
- Child Support Maintenance Payments and Child Benefit
- Child Tax Credit
- Council Tax Reduction Schemes where this involves payment to the person
- Christmas bonus
- Dependency increases paid with certain benefits
- Discretionary Trust
- Gallantry awards
- Guardian's Allowance
- Income frozen abroad
- Income in kind
- Pensioners Christmas payments
- Personal injury trust, including those administered by a Court
- Resettlement benefit
- Savings credit disregard
- Social Fund payments (including winter fuel payments)
- War widows and widowers special payments
- Any payments received as a holder of the Victoria Cross, George Cross or equivalent
- Any grants or loans paid for the purposes of education
- Payments made in relation to training for employment
- Any payment from:
 - o Macfarlane Trust
 - o Macfarlane (Special Payments) Trust
 - o Macfarlane (Special Payment) (No 2) Trust
 - o Caxton Foundation
 - o The Fund (payments to non-homophiliacs infected with HIV)
 - o Eileen Trust
 - o MFET Limited
 - o Independent Living Fund (2006)
 - o Skipton Fund
 - o London Bombings Relief charitable Fund
- Charitable and voluntary payments that are made regularly

- The first £10 per week of War Widows and War Widowers pension, survivors Guaranteed Income Payments from the Armed Forces Compensation Scheme, Civilian War Injury pension, War Disablement pension and payments to victims of National Socialist persecution (paid under German or Austrian law.)
- Part of savings credits under certain circumstances.
- Working tax credit if the service user is not resident in a care home.

Income that must be taken into account

The following income sources *must* be taken into account- the Council cannot decide to ignore them in financial assessments:

- Attendance allowance, including Constant Attendance Allowance and Exceptionally Severe Disablement Allowance
- Bereavement Allowance
- Carers Allowance
- Disability Living Allowance (Care Component)
- Employment and Support Allowance or the benefits this replaces such as Severe Disablement Allowance and Incapacity Benefit
- Income Support
- Industrial Injuries Disablement Benefit or equivalent benefits
- Jobseeker's Allowance
- Maternity Allowance
- Pension Credit
- Personal Independence Payment (Daily Living Component)
- State Pension
- Universal Credit
- Working Tax Credit if the person is resident in a care home.

Appendix IV: Administration Fee Breakdown

Deferred Payments	Administration fee amount £
Setting up the Deferred Payment Agreement (DPA) - One off set up fee	
Land registry search*	3
Legal fees: this covers the cost of placing the charge on a property and may change as this is set by the solicitor not LBTH*	250
Staff costs: 15 hours' work for an officer to initiate, set up and complete all the tasks required*	260
Property valuation: this charge may vary as it is set by the district valuers office*	570
In year cost of maintaining the DPA - charged annually	
Legal fees: no costs are anticipated in a standard DPA case but may arise in unforeseen circumstances*	
Staff costs: 2 hours staff time, every quarter to monitor, re-evaluate and carry out necessary sustainability tasks *	150

Property valuation: only when debt reaches 50% of equity or the unforeseen need for an in-depth review of the DPA's sustainability*	
Land registry search*	3
Closing down of the DPA - charged annually	
Legal fees: this covers the cost of placing the charge on a property and may change as this is set by the solicitor not LBTH*	150
Staff costs: 2 hours' work for an officer to initiate, set up and complete all the tasks required*	40

Appendix 9


Analysis of other councils' charging policy (in relation to community based clients.)-

Council	Additional income disregards	MIG above statutory	% income	Additional capital disregard	DRE other than statutory	Housing related expenditure other than statutory	Standard rates	Cap	Other
Hackney	No	For single people under pension age- £151 Pension age MIG as per statutory	75%	No	25% of DLA and PIP is disregarded to cover DRE. Any above that is assessed individually.	Water rates	No	£250/ week for people over upper capital threshold 92% of personal budgets	
Newham	N	No	100%	No	Standard weekly amount (not specified) with assessment offered if above the set amount	Buildings insurance	No	£200/ week	
Greenwich	No	No	100%	No	Standard rate £15.30	No	Day care: £5.10 per day	£530.60/ week	Capital tariff income set at £1 per

Council	Additional income disregards	MIG above statutory	% income	Additional capital disregard	DRE other than statutory	Housing related expenditure other than statutory	Standard rates	Cap	Other
							Home care £12.95 per hour		£500
Camden	No	Appear to have higher MIG rates for single people (eg £134 a week without disability premium)	100%	No	No	No	No	No	
Haringey	No	No	100%	No	65% of disability related benefits	No	No	No	
Lewisham	No	IS plus 30% (going down to 25% in 16/17)	100%	No	No	No	No	No	
Southwark	No	No	100%	No	No	No	No	No	

Council	Additional income disregards	MIG above statutory	% income	Additional capital disregard	DRE other than statutory	Housing related expenditure other than statutory	Standard rates	Cap	Other
Islington	No	No	100%	No	No	No	No	No	Policy leaflet specifically says water rates and insurance are not taken into account

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<p>Cabinet</p> <p>6th December 2016</p>	 <p>TOWER HAMLETS</p>
<p>Report of: Graham White, Acting Corporate Director for Law, Probity and Governance</p>	<p>Classification: Unrestricted</p>
<p>Children & Young People’s Mental Health Services, Scrutiny Challenge Session Report and Action Plan</p>	

Lead Member	<p>Councillor Amy Whitelock Gibbs, Cabinet Member for Health & Adult Services Councillor Rachel Saunders, Cabinet Member for Education & Children's Services</p>
Originating Officer(s)	Daniel Kerr, Corporate Strategy, Policy & Performance Officer
Wards affected	All
Key Decision?	No
Community Plan Theme	A healthy and supportive community

Executive Summary

This paper submits the report and recommendations of the Health Scrutiny sub-committee Challenge Session on Children & Young People’s Mental Health Services, and the ‘Action Plan’ for implementation.

Recommendations:

The Mayor in Cabinet is recommended to:

1. Note the scrutiny challenge session report as agreed by the Health Scrutiny Panel on 20th April 2016 (**Appendix 1**) and agree the ‘Action Plan’ in response to the review recommendations. (**Appendix 2**).

1. REASONS FOR THE DECISIONS

- 1.1 Children’s and young people’s mental health services provide crucial support in promoting and maintaining the wellbeing of young residents in Tower Hamlets. Many mental health conditions first present during childhood and if left untreated can develop into conditions which need regular care and have long lasting effects throughout adulthood.
- 1.2 In recent years Child and Adolescent Mental Health Services (CAMHS) across the country have been struggling to manage increasing referrals to

their services within limited budgets. As a result, many areas have either tightened or redefined their eligibility criteria and have raised thresholds in order to manage demand.

- 1.3 The Health Scrutiny Panel undertook a challenge session on 25th February 2016 that brought together key stakeholders to explore the level of provision and the performance of children's and young people's mental health services in Tower Hamlets. This paper presents the report that emerged from that challenge session, and the 'Action Plan' for implementing its recommendations, which Cabinet is required to consider.

2. ALTERNATIVE OPTIONS

- 2.1 To take no action. This is not recommended as the scrutiny challenge session provides an evidence base for improving children's and young persons' mental health services in Tower Hamlets.
- 2.2 To agree some, but not all recommendations. All of the recommendations are achievable within existing resources as outlined in the action plan.

3. DETAILS OF REPORT

- 3.1 The challenge session held on the 25th February 2016 engaged representatives from the council, Tower Hamlets CCG, Tower Hamlets CAMHS, and community organisations to explore the level of provision and the performance of children's and young people's mental health services in Tower Hamlets.
- 3.2 The session focused on the accessibility of mental health services for service users from a wide range of backgrounds, how effectively services are promoted and engage with a diverse range of services users, and what gaps there are in the current service provision.
- 3.3 The report with recommendations is attached at **Appendix 1**. 14 recommendations have been made:

Recommendation 1:

That the council and Tower Hamlets Clinical Commissioning Group (THCCG) work with the voluntary and community sector to support and strengthen early intervention services in the borough.

Recommendation 2:

That the council, CCG, specialist CAMHS and local services raise awareness of mental health issues, before children and young people reach specialist services, by promoting patient stories and examples of what mental health issues can turn into, with particular focus on BME communities.

Recommendation 3:

That the council ensure all frontline professionals who come into contact with children regularly or/and in a professional capacity (not just mental health professionals) are able to identify children with mental health issues and know what to do once they have identified a vulnerable child.

Recommendation 4:

That the council reviews the data it holds on care leavers and pregnancy to investigate if there is a link between care leavers, teenage pregnancy and mental health issues.

Recommendation 5:

That the council undertakes further work with young care leavers to educate them on sexual health.

Recommendation 6:

That as part of any future re-refresh of the Local Transformation Plan, the council, CCG and partner agencies should consider how services can be improved for children and young people who are in contact with criminal justice services, and who have a higher vulnerability to mental health problems.

Recommendation 7:

That the council and THCCG strengthen engagement and training for CAMHS service users to empower them with the skills and knowledge to effectively contribute to service development.

Recommendation 8:

That the THCCG work with CAMHS to review GP training in children and young people's mental health, including raising awareness of referral pathways for service users.

Recommendation 9:

That the council, THCCG, and Tower Hamlets CAMHS work with community leaders to improve cultural understanding of mental health and raise awareness of the services in place to support residents with a mental health need.

Recommendation 10:

That the council, THCCG and CAMHS undertake work to reduce the stigma of mental health including rebranding and renaming services.

Recommendation 11:

That CAMHS consider ways to make the service more accessible through reviewing their workforce to ensure it is reflective of the community.

Recommendation 12:

That the council, THCCG and CAMHS improve engagement with children and families in order to increase awareness of mental health in all communities in the borough.

Recommendation 13:

That the council undertakes an audit to check the usage and success of the CAF system in Children Centres and other universal services.

Recommendation 14:

That the council and THCCG raise awareness about mental health and support services amongst non-MH staff working with young people to improve accessibility to appropriate support.

- 3.4 The 'Action Plan' attached in **Appendix 2** outlines the response from the Council and relevant partners.

4. COMMENTS OF THE CHIEF FINANCE OFFICER

- 4.1 There are no direct financial implications arising from this report. Any additional resource requirements to implement any of the recommendations will need to be considered as part of the Medium Term Financial Strategy and the outcomes based approach to prioritising resources.

5. LEGAL COMMENTS

- 5.1. In respect of the recommendations contained in the report, the Council has a duty to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness by virtue of section 3 of the Local Government Act 1999. This is known as its Best Value Duty.
- 5.2. The Council's functions in relation to children include Section 17 of the Children Act 1989, which introduced a general duty for local authorities to promote the welfare of children within their area who are in need, including children with disabilities. The Council's general duty to promote high standards of education in respect of primary and secondary school students is set out under section 13A of the Education Act 1996. Under section 11 of the Children Act 2004 and section 175 of the Education Act 2002, the Council

must make arrangements to ensure that its functions are discharged having regard to the need to promote the welfare of children.

- 5.3. Section 10 of the Children Act 2004 Act requires the Council to makes arrangements to promote cooperation with its safeguarding partners, including Health, to improve the well-being of children in its area relating to physical and mental health and emotional well-being, protection from harm and neglect, education, training and recreation, the contribution made by them to society and social and economic well-being.
- 5.4. In the exercise of its functions, the Council must with the public sector equality duty to eliminate unlawful conduct under the Equality Act 2010, the need to have regards to equality of opportunity and the need to foster good relations between persons who share a protected characteristic, including ethnicity, and those who do not.

6. ONE TOWER HAMLETS CONSIDERATIONS

- 6.1 The scrutiny report makes a number of recommendations to improve mental health services for children and young people. A key focus in on promoting the importance of good mental health through improved engagement with the diverse communities of Tower Hamlets. This will help to address stigma and improve access to the appropriate local support.

7. BEST VALUE (BV) IMPLICATIONS

- 7.1 There are no direct best value implications arising from this report or its 'Action Plan', however many of the recommendations relate to improving early intervention and prevention activities, which have the potential to reduce demand on health and social care services in the longer term.

8. SUSTAINABLE ACTION FOR A GREENER ENVIRONMENT

- 8.1 There are no direct environmental implications arising from the report or recommendations.

9. RISK MANAGEMENT IMPLICATIONS

- 9.1 There are no direct risk management implications arising from the report or recommendations.

10. CRIME AND DISORDER REDUCTION IMPLICATIONS

- 10.1 There are no direct crime and disorder implications arising from the report or recommendations.

11. SAFEGUARDING IMPLICATIONS

- 11.1 The report relates to services that have frequent contact with vulnerable children and young people. Although there are no direct safeguarding

implications from this report or 'Action Plan', practitioners must remain mindful of potential safeguarding issues during the implementation of the recommendations.

Linked Reports, Appendices and Background Documents

Linked Report

- List any linked reports [if Exempt, Forward Plan entry MUST warn of that]
- State NONE if none.

Appendices

- **Appendix 1 - Children & Young Peoples' Mental Health Services Scrutiny Challenge Session**
- **Appendix 2 – Children and Young Peoples' Mental Health Services Scrutiny Challenge Session 'Action Plan'**

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

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

Officer contact details for documents:

Or state N/A

Health Scrutiny Panel

Children & Young People's Mental Health Services Scrutiny Challenge Session



London Borough of Tower Hamlets
April 2016

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1. Chairs Foreword

Good mental health and resilience are fundamental to our physical wellbeing, our relationships, our education, our training, our employment and to realising our full potential. Many mental health issues appear in childhood and if left untreated have a profound and lasting impact throughout adulthood. The Health Scrutiny Panel wanted to investigate the performance of children and young people's mental health services in Tower Hamlets to ensure children are able to access the appropriate services at the earliest opportunity possible.

National evidence suggests that the rising rates of children and young people presenting with mental health conditions are not being met by professional intervention that is both timely and suitable. Children and young people are being left untreated at a time when there is a higher number in a state of emotional suffering than ever before. Available data shows that increasing numbers of young people are turning to self-harm with hospital admissions over the last five years rising by almost 93% among girls and 45% among boys¹. There are also more young people considering suicide and an increasing number of young people are being treated for eating disorders.

Successful and effective treatment of mental health requires many different partners to work well together and as such the Health Scrutiny Panel wanted to invite representatives from the council, Tower Hamlets Clinical Commissioning Group, Child and Adolescent Mental Health Services, and leading third sector organisations to discuss how they are working in partnership to improve outcomes for children and young people suffering from a mental health issue.

I am pleased to present this report which explores the challenges facing children with a mental health issue, and the challenges to delivering high performing children's mental health services. The report makes a number of practical recommendations for the council and its partners for improving the access to, and performance of, children and young people's mental health services in Tower Hamlets.

I would like to thank the officers that contributed to the challenge session, especially Nasima Patel, Martin Bould, Simon Twite, Percy Aggett, Jennifer Fear, Shamsur Choudhury, and Runa Khaliq for their presentations. I am also grateful to my Health Scrutiny colleagues for their support, advice and insights.

Councillor Amina Ali,
Health Scrutiny Panel Chair

¹ Health and Social Care Information Centre (2016)

2. Recommendations

Recommendation 1:

That the council and Tower Hamlets Clinical Commissioning Group (THCCG) work with the voluntary and community sector to support and strengthen early intervention services in the borough.

Recommendation 2:

That the council, CCG, specialist CAMHS and local services raise awareness of mental health issues, before children and young people reach specialist services, by promoting patient stories and examples of what mental health issues can turn into, with particular focus on BME communities.

Recommendation 3:

That the council ensure all frontline professionals who come into contact with children regularly or/and in a professional capacity (not just mental health professionals) are able to identify children with mental health issues and know what to do once they have identified a vulnerable child.

Recommendation 4:

That the council reviews the data it holds on care leavers and pregnancy to investigate if there is a link between care leavers, teenage pregnancy and mental health issues.

Recommendation 5:

That the council undertakes further work with young care leavers to educate them on sexual health.

Recommendation 6:

That as part of any future re-refresh of the Local Transformation Plan, the council, CCG and partner agencies should consider how services can be improved for children and young people who are in contact with criminal justice services, and who have a higher vulnerability to mental health problems.

Recommendation 7:

That the council and THCCG strengthen engagement and training for CAMHS service users to empower them with the skills and knowledge to effectively contribute to service development.

Recommendation 8:

That the THCCG work with CAMHS to review GP training in children and young people's mental health, including raising awareness of referral pathways for service users.

Recommendation 9:

That the council, THCCG, and Tower Hamlets CAMHS work with community leaders to improve cultural understanding of mental health and raise

awareness of the services in place to support residents with a mental health need.

Recommendation 10:

That the council, THCCG and CAMHS undertake work to reduce the stigma of mental health including rebranding and renaming services.

Recommendation 11:

That CAMHS consider ways to make the service more accessible through reviewing their workforce to ensure it is reflective of the community.

Recommendation 12:

That the council, THCCG and CAMHS improve engagement with children and families in order to increase awareness of mental health in all communities in the borough.

Recommendation 13:

That the council undertakes an audit to check the usage and success of the CAF system in Children Centres and other universal services.

Recommendation 14:

That the council and THCCG raise awareness about mental health and support services amongst non-MH staff working with young people to improve accessibility to appropriate support.

3. Introduction

- 3.1. Mental health problems pose a significant challenge on both a national and local level, and are estimated to disadvantage the UK economy by £105 billion a year. Mental health conditions are widespread, with one in four adults diagnosed with a mental health problem in any one year and treatment costs projected to double in the next 20 years.
- 3.2. Many mental health conditions first present during childhood and if left untreated can develop into conditions which need regular care and have long lasting effects throughout adulthood. Nearly half of all mental health conditions emerge before the age of 14, and 75% emerge before the age of 24.² One in ten children between the ages of five and sixteen have a diagnosable mental health problem – with children from low income families three times more likely to be affected than those on a high income. Approximately 200,000 young people between the ages of 10 to 18 are referred to specialist mental health services each year³, but evidence suggests that nationally the rising rates of young people presenting with serious mental health problems are not being sufficiently met by appropriate service interventions.
- 3.3. Child and Adolescent Mental Health Services (CAMHS) across the country have been struggling to manage increasing referrals to their services within limited budgets. As a result, many areas have either tightened or redefined their eligibility criteria and have raised thresholds in order to manage demand, potentially leaving many children and young people who fall outside of this threshold with no viable or effective means of treatment.
- 3.4. As part of its work programme the Health Scrutiny Panel was keen to explore the level of provision and the performance of children and young peoples' mental health services in Tower Hamlets. A scrutiny challenge session was held on Tuesday 25th February at the Children and Young People Centre. The challenge session aimed to develop an understanding of:
- The availability of mental health services for children and young people in Tower Hamlets
 - The performance of children's and young people's mental health services, particularly in terms of how accessible the services are for young people, how these services are promoted, and how the

² LBTH Joint Strategic Needs Assessment (2016)

³ The Children's Society: *Access Denied; A teenagers Pathway through the mental Health System* (2015)

services actively engage service users with a wide range of mental health needs.

- The gaps in the current service provision, and the areas of good practice and success which can be developed further.

3.5. This session was attended by the following stakeholders:

Councillor Amina Ali	Health Scrutiny Panel, Chair
Councillor Dave Chesterton	Member of the Health Scrutiny Panel
Councillor Danny Hassell	Scrutiny Lead for Children's Services
Councillor Amy Whitlock Gibbs	Cabinet Member for Health & Adult Services & Lead for Mental Health
David Burbidge	Member of the Health Scrutiny Panel
Nasima Patel	Service Head Children's Social Care, LBTH
Karen Badgery	Children Commissioning Manager, LBTH
Simon Twite	Senior Public Health Strategist, LBTH
Carrie Kilpatrick	Deputy Director of Mental Health and Joint Commissioning, THCCG/LBTH
Martin Bould	Senior Joint Commissioner, THCCG
Billy Williams	General Manager, CAMHS, ELFT
Percy Aggett	Psychological Therapies & Clinical Team Lead/Lead Clinician, CAMHS, ELFT
Shamsur Chowdhury	Healthwatch Tower Hamlets
Jennifer Fear	CEO, Step Forward
Runa Khalique	Docklands Outreach
Afazul Hoque	Senior Strategy Policy & Performance Officer, Corporate Strategy & Equality, LBTH
Daniel Kerr	Strategy Policy & Performance Officer, Corporate Strategy & Equality, LBTH

4. National Policy

4.1. In 2011, the Government published its mental health strategy *No Health without Mental Health: a Cross-Government Outcomes Strategy for People of All Ages*. This strategy aimed to improve mental health in all ages, and people from all backgrounds. It had six objectives:

- More people will have good mental health.
- More people with mental health problems will recover.
- More people with mental health problems will have good physical health.
- More people will have a positive experience of care and support.
- Fewer people will suffer avoidable harm.
- Fewer people will experience stigma and discrimination.

- 4.2. In 2014, the House Of Commons Health Select Committee held an enquiry into CAMHS services which concluded that there were significant problems with children waiting for hospital beds, cuts to early intervention services and waiting times for CAMHS. Moreover the Committee concluded that there was a lack of reliable and up to date information about children's and adolescents' mental health, that there were insufficient levers in place at a national level to drive essential improvements to CAMHS services, and that more training was needed for GPs and school teachers to provide them with the knowledge and confidence to support children and young people with a mental health issue.
- 4.3. The NHS England policy document for promoting, protecting and improving children and young people's mental health, *Future in Mind*, was published in February 2015. This set out an ambitious programme of change, and introduced the intention to require every area in England to develop a local Transformation Plan. The implementation of the Transformation Plan is the responsibility of the Clinical Commissioning Group.
- 4.4. Most of the changes in *Future in Mind* and much thinking about service transformation have been based on different ways of doing business within existing resources. However, the need for some additional financial support was recognised and the Government announced its strategic intention to invest £1.25bn over 5 years (from 2015/16) in children and young people's mental health services in England.

5. Local context- background to Children's and Young People's Mental Health in LBTH

- 5.1. Mental ill health is consistently associated with deprivation, low income, unemployment, poor education, poorer physical health and increased health-risk behaviour.
- 5.2. Mental ill health is a prevalent issue for children and young people nationally, with 10% of children and young people diagnosed with a clinically recognised mental disorder, 6% of 5 to 16-year-olds diagnosed with a conduct disorder, 18% diagnosed with a 'sub-threshold' conduct disorder and 4% an emotional disorder.
- 5.3. Socio-economic status and parenting are two key determinants of mental health throughout the early years and childhood, and deficits in either are clearly associated with poorer outcomes for children. Children and young people in the poorest households are three times more likely to have a mental health problem than those in better-off homes.
- 5.4. Most mental health issues begin before adulthood and often continue through life. Cost-effective interventions exist to both prevent mental ill health and to promote wider population mental health initiatives that

complement the treatment of mental ill health. Improving mental health early in life will reduce inequalities, improve physical health, reduce health-risk behaviour and increase life expectancy, economic productivity, social functioning and quality of life.

5.5. Looked after children, children with disabilities (including learning disabilities), and children from BME groups have been identified as being particularly vulnerable to developing a mental health issue. The following risk factors have been identified as disproportionately affecting the mental health of all children: reduced levels of 'school readiness', child poverty, lower levels of parental education and employment, and bullying.

5.6. The council has a number of projects in place to help prevent mental ill health in children and young people:

- The *Family Nurse Partnership* provides specialist health support for young mothers pregnant with their first child;
- The *School Nursing Service* is responsible for delivering the healthy child programme;
- The *Education Psychology team* provides a range of support to children and families in education establishments, e.g. children in pupil referral units, children with special needs, and children with language difficulties;
- *Better Beginnings* is a pilot peer support programme which provides support to parents throughout pregnancy and up to the point their child turns 2 years old;
- The *Mindful Schools Programme* is a pilot programme in partnership with the LBTH Educational Psychology team which is testing how effective it is to work in schools to support children's emotional wellbeing.

5.7 Tower Hamlets' specialist CAMHS provision offers assistance and support to children, young people and their families with significant emotional, behavioural and mental health difficulties. CAMHS services include multi-disciplinary teams comprising of psychiatrists, psychotherapists, psychiatric social workers, psychologists, specialist community mental health nurses and family therapists. The term CAMHS is used to refer to services provided by a whole range of agencies in Tower Hamlets, however specialist CAMHS are jointly commissioning by THCCG and LBTH, and provided by the East London Foundation Trust.

5.8 CAMHS is still often thought of in terms of four tiers; (1) universal, (2) targeted, (3) specialist and (4) residential:

- Universal services (tier 1). Provided by practitioners who are not mental health specialists and this includes GPs, health visitors, school

nurses, teachers, social workers, youth justice workers and voluntary agencies. Practitioners will be able to offer general advice and treatment for less severe problems, contribute towards mental health promotion, identify problems early in their development, and refer to more specialist services;

- Targeted services (tier 2). Provided by practitioners who are CAMHS specialists working in community and primary care settings, such as primary mental health workers, psychologists and counsellors working in GP practices, paediatric clinics, schools and youth services. Practitioners offer consultation to families and other practitioners, outreach to identify severe or complex needs which require more specialist interventions, assessment (which may lead to treatment at a different tier), and training to practitioners at tier 1;
- Specialist services (tier 3). Provided through specialist CAMHS provision and are targeted at children and young people with more severe, complex and persistent disorders;
- Inpatient, day and residential services (tier 4). Highly specialised services for children and young people with the most serious problems. These are essential tertiary level services such as day units, highly specialised outpatient teams and in-patient units. These can include secure forensic adolescent units, eating disorders units, specialist neuro-psychiatric teams, and other specialist teams.

6. LBTH - Children's Social Care

- 6.1. The NHS has statutory responsibility to commission and provide specialist CAMHS, and the local authority duty is to ensure that the emotional health and wellbeing needs of vulnerable children are met through co-operation of key partners which includes key funding arrangements.
- 6.2. The council is working with partners to deliver the Mental Health Strategy and has made a commitment to review the LBTH CAMHS service. The work the council has been undertaking has been guided by a number of principals which are set out in a national policy document called *Future in Mind* (see 4.3).
- 6.3. The underpinning principles guiding the council in relation to children and young people's mental health are resilience, prevention and early intervention. The council's aim is to work with families and children at the earliest stages of identification of a mental health issue, as when symptoms are left to escalate the outcomes are markedly exacerbated. Moreover the council wants to strengthen the support structure in place for children to help prevent mental ill health.

- 6.4. The council invests approximately £1.6 million a year into mental health services. £1.3 million is allocated to the East London Foundation Trust to deliver CAMHS.
- 6.5. From a children's social care perspective its clinical partnership with CAMHS is of the highest importance. There are approximately 2,500-3,000 vulnerable children within the remit of Children's Social Care at any given time and a high proportion of these will exhibit early signs of emotional distress and mental health issues, or will come from families where adults exhibit these symptoms. A key ambition for the council is to integrate CAMHS into their mainstream offer. The council is currently reviewing their investment with CAMHS and is exploring the possibility of embedding CAMHS within the social work team in the council.

7. THCCG - Local Transformation Plan

- 7.1. NHS Tower Hamlets Clinical Commissioning Group (THCCG) and its partner organisations, including the council, are currently working on a number of local initiatives that will improve the mental health and wellbeing of children and young people in Tower Hamlets through the transformation of local services. The local Transformation Plan seeks to improve the mental health and wellbeing of children and young people through developing a system which responds to residents needs with evidence based interventions (See Appendix 1 for a detailed summary of the 2015/16 Transformation Plan initiatives.)
- 7.2. As part of the Transformation Plan THCCG commissions the following children and young people's mental health services (2014/15 spend): East London Foundation Trust Specialist CAMHS (£3,292,900 pa), inpatient (East London) and medium secure (West London) services (£1,082,411 pa), CHAMP (children's social workers with adult CMHTs): £56,375 pa, Perinatal services (delivered by ELFT adult services): £326,163.
- 7.3. The THCCG is engaging children and young people in a number of ways to ensure the services it commissions reflect the needs of service users and provides them with an opportunity to shape the service they use. Significantly a shared outcomes framework has been developed involving service users and key stakeholders. This was developed in order to determine what is important to young people and to talk in a language which young people understood. Consultation was carried out through six listening events, which were attended by 56 children, young people, parents and carers as well as 25 key stakeholder organisations. Through this engagement twenty outcomes have been developed to meet three ambitions for children and young people's mental health, which are; improve health and wellbeing, improve resilience and enable flourishing lives, reduce inequalities for those affected by mental health issues. This has produced a list of 20 core outcomes and the next challenge for the THCCG is to consider how they implement these across all partner agencies to begin to measure the success of the system as a whole. See

appendix 2 for an outline of the Tower Hamlets Shared Outcomes Framework for Children and Young People's Mental Health.

- 7.4. In regard to the engagement and promotion elements of the Transformation Plan, the THCCG will sponsor Healthwatch Tower Hamlets Young People's Panel to create their own video on mental health and to lead a peer evaluation awareness campaign. There is also an agreement in place to work with the Parent and Family Support services and through them with bodies like the Parent and Carer Council and the SEND Forum. The THCCG and the council hope to promote engagement through schools and the youth council and hope to set up an ongoing child and young people advisory group for transformation.
- 7.5. The THCCG has commissioned Youthnet (recently renamed The Mix) to develop a trial portal for mental health information with the aim of connecting with a wider range of children and young people who are currently not accessing information.

8. Tower Hamlets Child and Adolescent Mental Health Services (CAMHS)

- 8.1. The specialist CAMHS provision in the borough is delivered by East London Foundation Trust and is jointly commissioned by the THCCG and LBTH.
- 8.2. Tower Hamlets CAMHS provides a targeted and specialist assessment and intervention service to children and young people aged up to 18 years old who are at risk for urgent, persistent, complex and severe mental health difficulties. The service receives referrals from schools, community health services, GPs, social care teams and third sector organisations. The service receives approximately 1,700 referrals per year and currently employs 37 staff (whole time equivalent). There are a large number of young people in need of specialist CAMHS which stretches beyond the current capacity, hence there is a heavy reliance on partnership working to ensure everyone receives effective treatment.
- 8.3. CAMHS is trying to ensure all patients are seen quickly, with the current waiting time at just over five weeks for routine referrals. For moderate risk cases they are trying to see people for 6-12 sessions, and these might take the form of generic counselling, working with the family, and/or liaising with the network. Moreover there are specific therapies which they have to deliver; these might be 25 sessions for depression, cognitive behaviour therapy, or long term family therapy. Finally they have to work with high risk looked after children who are considered most vulnerable. CAMHS is trying to provide a service which delivers each of these four things to a very high level, with each of placing different demands on the service.
- 8.4. CAMHS is currently trying to improve access to the service through developing a website. Bilingual workers are used to make the service easier to navigate if the service user has a language need. Service users are included on interview panels presenting them with the opportunity to

shape the service they use. CAMHS is also creating email networks for their stakeholders and are developing a better sense of who their referrers are.

- 8.5. CAMHS is trying to create a 'provider alliance' which will compose of a network of stakeholders such as City Gateway, the PRU, Docklands Outreach, YOT, FIB, Parenting Services/third sector and specialist CAMHS. Previously children were moving between these groups and if they missed an appointment their case would be closed. However with the 'alliance' providers will not be able to unilaterally close high risk cases without consultation with other agencies first. This idea is currently in its early stages however results are indicating that it is effective and the aim is to roll this out to other areas and involve more key stakeholders.

9. Community Perspective

9.1. Healthwatch Tower Hamlets

- 9.1.1. Healthwatch Tower Hamlets set up a Youth Panel three years ago to help them engage with young people. The Panel consist of 20 young people and they decide annually on a set of priorities and the topics they want to work on. They have previously worked on the issue of diabetes, the output of which will be published in a journal, and shisha consumption –creating an awareness video that is currently used in schools.
- 9.1.2. Healthwatch Tower Hamlets Youth Panel undertook a survey amongst young people to better understand young peoples' awareness levels and attitudes towards mental health, as well as receiving suggestions on how best to tackle issues related to young people and mental health. The surveys were carried out by 4 Youth Panel members that received training in order to become 'Peer Researchers'. A total of 237 young people across Tower Hamlets aged between 15 and 24 years old took part in the survey. The young people presented their work and their recommendations to the Health and Wellbeing Board in November 2015.
- 9.1.3. Their research found that there was a generally a lack of awareness about what constitutes mental ill-health including key symptoms and its possible impact. Stigma was identified as a key factor in preventing young people from talking about mental health concerns and avoiding help, with participants citing family and community barriers as contributing to this. For example, within certain communities such as the Bangladeshi and Somali communities, mental health is not widely recognised as requiring professional intervention, and there is a more limited recognition of the impact it can have on young people's overall wellbeing. There is an overwhelming feeling that schools should provide more support for young people. The term 'Mental Health' is not viewed positively, as it has associations with stigma. There is a preference for using the term 'Mental Wellbeing'. There is a lack of awareness around local support services that

can help young people. Family and support systems was identified as a major factor in contributing to young people's mental health.

9.1.4. The Youth Panel made the following recommendations:

- Awareness raising amongst young people the need to care for their mental as well as their physical wellbeing;
- Work with schools and community groups as an access point to empower parents and families to promote good wellbeing for young people;
- Involve children and young people in co-producing a peer led health and wellbeing campaign to:
 - raise awareness of the importance of looking after your physical and mental health,
 - tackle the stigma around mental health,
 - tackle issues like exam pressure, bullying and family pressures,
 - build on existing resources and activities in other areas.

9.1.5. Tower Hamlets THCCG have taken most of the recommendations on board as part of their 'Transformation of children and young people's mental health and wellbeing in Tower Hamlets' programme. Healthwatch Tower Hamlets Youth Panel has received £15,000 of funding from the THCCG to undertake the following work as part of the overall awareness campaign:

- To produce a video on mental health awareness for children and young people in Tower Hamlets. The video is one of the tools that will be used as part of a wider awareness raising campaign;
- To undertake a peer evaluation survey on the impact of the overall awareness raising campaign.

Both pieces of work will be completed by November 2016.

9.2. **Step Forward**

9.2.1. Step Forward is an independent charity organisation which aims to improve the health, wellbeing and life chances of local young people. They deliver a range of free therapeutic, psychosocial support services, and sexual health support services. Step Forward's services are developed directly as a result of what their service users' needs are, and they started to provide sexual health support services 14 years ago as a direct result of service users expressing a need for it.

9.2.2. The demand placed on Step Forward has grown significantly in the last two years and is indicative of the level of need the borough is dealing with. There has been a 300% increase in health service referrals since 2013, with 25-30 referrals per month in 2015. The demand for services continues to increase and Step Forward now has a waiting list for people who want to access the service. There is an increase in the severity and complexity of

issues young people present with and the time young people need support for.

- 9.2.3. There is a diverse range of people accessing Step Forward with a wide range of issues. The most prevalent problems for the children and young people involved with Step Forwards Youth Access Counselling are generalised anxiety (92%), depression/low mood (91%), family relationship difficulties (77%), poor peer relationships (67%), anxious in social situations (61%), disturbed by traumatic event (52%), self-harm or have suicidal ideation.
- 9.2.4. In regards to the complexity factors of young people accessing counselling 47% have experience of abuse or neglect, 25% have experienced sexual violence, 23% are living within financial difficulty, 17% live with parents who have health issues, 18% identify as having a disability, 33% have additional issues at home, and 29% have additional issues in education/work/training.

9.3. **Docklands Outreach**

- 9.3.1. Docklands Outreach delivers targeted work with vulnerable young people who do not access mainstream services on a regular basis. They are linked in with Tower Hamlets CAMHS. Docklands Outreach developed a Detached Street-Work, Outreach & Advocacy model (DSOA) to meet this gap and have been delivering this model of work since 1997.
- 9.3.2. This model works with those who are affected by, or at risk of alcohol/substance misuse, poor sexual health, youth violence, anti-social behaviour and other social and mental health issues. Positive relationships are built, advice and information is given out on the streets, estates and community and statutory venues, and is reinforced by advocacy, therapeutic and practical support.
- 9.3.3. An extension of this model is the A&E Intervention at the Royal London Hospital. This project aims to support children, young people and their families/carers, who have presented at the A&E following traumatic incidents. It also offers support and mediation between friends and families of patients and hospital and security staff to ensure that situations remain calm and do not escalate. Moreover it provides follow on support through engagement, assessment, therapeutic interventions such as Cognitive Behavioural Therapy (CBT) and systemic family practice, and it makes referrals (internal and external), and supports them into accessing specialised services according to need.
- 9.3.4. Through the information collected from the A&E sessions Docklands Outreach deliver targeted street-work, engaging with young people on streets, parks, and estates, who are at risk of alcohol and substance misuse, anti-social behaviour and youth violence, and deter them away from at risk activities and future A&E admissions.

9.3.5. The intervention is a small pilot at present with 2 staff (WTE), but has had over 150 referrals from the hospital, street-work and outreach since May 2015.

10. Key Findings and Recommendations

- 10.1. National and local policy work illustrates that the way services in CAMHS are currently configured are not the best way to meet the needs of children and young people with mental health problems. This is particularly the case for young people in schools, pupil referral units (PRUs) and in non-specialist settings where they spend a lot of time with professionals. For vulnerable young people in these spaces who are suffering from a mental health problem, the service response is sometimes insufficiently robust. When specialist CAMHS get referrals there is a cohort of approximately 13% who do not reach the threshold for treatment and a less specialist service is required to treat this group. CAMHS has a higher threshold for mental health treatment and a lot of emotional difficulties presented by young people in the spaces formerly referred to as 'tier two' do not often present as a mental health issue. Some young people are self-harmers and suicide risks and they will receive a CAMHS service. However other young people present in different ways and some of their symptoms can be invisible, especially in cases of child abuse and sexual exploitation. The professionals working at 'tier two' need to work in partnership with specialist mental health professionals to recognise individuals who are suffering from mental health issues and refer them to the right service at the right time. The Transformation Plan is designed to respond to this gap in service provision and provide a more accessible and flexible response.
- 10.2. More support is required to support the 13% of children and young people who do not meet the specialist CAMHS threshold. Early intervention mental health services at tier 2 can be delivered by CAMHS, voluntary sector providers or other agencies. These provide mental and emotional health services for children and young people who require support, but who do not require more highly specialised tier 3 services. Early intervention services can make a crucial contribution to preventing mental health problems, providing timely support to children and young people before mental health problems become entrenched and increase in severity, and preventing, wherever possible, the need for admission to inpatient services.

Recommendation 1:

That the council and Tower Hamlets Clinical Commissioning Group (THCCG) work with the voluntary and community sector to support and strengthen early intervention services in the borough.

Recommendation 2:

That the council, CCG, specialist CAMHS and local services raise awareness of mental health issues, before children and young people reach specialist services, by promoting patient stories and examples of what mental health issues can turn into, with particular focus on BME communities.

- 10.3. There is a need to improve access to effective support and provide a more seamless service between different service levels, as currently the provision is disparate and difficult for service users to navigate which could potentially cause some to be left untreated.
- 10.4. The council has a duty to care for the most vulnerable and there is a need to improve the mechanisms in place to help identify those most at risk to ensure they receive the correct help. A significant risk which was identified by a recent external review of the service is that front line professionals do not like to stigmatise and therefore do not involve the psychologist and psychiatrist as quickly as they should, instead continuing to offer the standard generic service, which is not an effective treatment method for those children and young people who are most vulnerable. The council needs to equip frontline practitioners with the skills and knowledge to realise that when they need to refer to more specialist CAMHS, and in turn CAMHS need to respond to such referrals in a timely and efficient way.

Recommendation 3:

That the council ensure all frontline professionals who come into contact with children regularly or/and in a professional capacity (not just mental health professionals) are able to identify children with mental health issues and know what to do once they have identified a vulnerable child.

- 10.5. In order to ensure the service is accessible for all children and young people the council is aiming to develop a service which is built through images and with language they understand and find familiar. The traditional council model of service delivery is office and appointments based, which works against the principles of some of the most innovative and successful delivery approaches. Assertive outreach and persistence work, and the council is aiming to mainstream these skills so that all professionals can use them to engage young people in a more innovative way. Furthermore there is a need to eliminate a 'do not attend culture' which sees young people removed from the service if they do not attend an appointment and are subsequently left untreated.
- 10.6. The Health Scrutiny Panel expressed their concern relating to young parents (particularly mothers) with mental health issues, many of whom have been in care themselves and who require the local authority to respond to the consequences of failed, historic service interventions. If the young parents had their mental health issues addressed when they were a

looked after child it is less likely that the council would need to intervene and take another child into care in later years.

- 10.7. Nasima Patel stated that the teenage pregnancy rate in Tower Hamlets is low compared to the England average, the inner London average and the Greater London average (conception rates for under-18s fell from 57.8 per 1,000 in 1998 to 18.1 per 1,000 in 2014). However the council can undertake research to further understand the relationship between care leavers and pregnancy. A proportion of looked after children come from early years abuse and non-treatment. The council needs to improve early identification of abused children and provide them with a positive in-care experience. Tower Hamlets often takes children into care late in their childhood, which means that the ability for the in-care experience to have a significant impact is limited. Work is being undertaken to embed a CAMHS team within Children's Social Care to help address this. Additionally the council is going to ensure that every child who becomes looked after has an early mental health screening. This is currently being undertaken with some looked after children but it will be implemented systematically going forward. There is more work which needs to be carried out around sexual health and young people in care and Children's Social Care is working with Public Health to equip social workers with the skills and confidence to talk about sexual health issues, as this has been identified as a weakness in the current workforce.

Recommendation 4:

That the council reviews the data it holds on care leavers and pregnancy to investigate if there is a link between care leavers, teenage pregnancy and mental health issues.

Recommendation 5:

That the council undertakes further work with young care leavers to educate them on sexual health.

- 10.8. The Health Scrutiny Panel asked what measures are being taken to specifically support children in the youth justice system with a mental health issue. The youth offending teams nationally conclude that between 60% - 80% of children appearing in the youth court have mental health issues, and for those that are in custody the rate is around 70%. This figure is taken from neighbouring European countries who undertake CAMHS equivalent mental health assessments for children in the youth justice system, which doesn't happen in the UK. The impact that these children have on our communities is significant and the Health Scrutiny Panel is concerned about care proceedings, the cost and damage caused by this group, and our failure to adequately engage with children who are caught up in youth offending.
- 10.9. The Health Scrutiny Panel stated that in terms of outcomes in youth justice the ultimate aim is for a reduction of re-offending, however three quarters of all children will be reconvicted for a further offence within a year. This

means there are children and young people who have a known mental health need and are stuck in a pattern of criminal activity. The Panel commented that CAMHS should look to improve outcomes for this group and suggested that lessons could be learned from experience in Europe in reducing youth recidivism through better mental health interventions.

- 10.10. In regards to Youth Justice there is a cohort of young people that are not identified and supported early and this leads to them committing criminal activity. There has been work recently undertaken focusing on gangs and one of the things recognised is that some of the young people in youth justice come from families where there is a history of domestic violence. There is a need to pair traditional social work with youth justice, which has already started, with the council undertaking joint projects between Youth Justice and the Troubled Families work. To further compound the challenge in supporting these service users, the Heath Scrutiny Panel noted that approximately three quarters of all children appearing in the youth justice system have a serious speech or language difficulty.
- 10.11. The Health Scrutiny Panel asked how service users are engaged in the development of services. Martin Bould stated that there is more work to be done to engage service users and one of the reasons the THCCG has established a partnership with the Parenting Support Service is so that the issue of mental health can be addressed by the existing consultative forums. They want to build on the work engaging young people and establish an advisory group for the Transformation Plan which will be ongoing. The CCG have just begun to talk with young people about specifications for new services and they will be involved in bidder selection, which is something they have not previously been able to do. The additional resources from the Transformation Plan have allowed this. Moreover Percy Aggett indicated that more work needs to be undertaken to collect feedback on the service and CAMHS will be setting up service user groups, particularly with service users who have dropped out after one appointment. The Health Scrutiny panel stated that one of the problems when dealing with this specific group of service users is training and empowering the group because they may have difficulty comprehending questions asked of them and may have no idea about the health (CAMHS) system or where they fit in. To this end they need training and support to be able to ask the right questions and effectively engage with the service.

Recommendation 6:

As part of any future re-refresh of the Local Transformation Plan, the council, CCG and partner agencies should consider how services can be improved for children and young people who are in contact with criminal justice services, and who have a higher vulnerability to mental health problems

Recommendation 7:

That the council and THCCG strengthen engagement and training for CAMHS service users to empower them with the skills and knowledge to effectively contribute to service development.

10.12. The Health Scrutiny Panel expressed concern about GPs ability to refer patients to mental health services, with some GPs not referring patients to the appropriate service when it is required. The Panel identified primary care as an important element in tackling mental health issues and an area where improvements can be made. GPs provide universal services which are available to all children and young people without prior referral, and because of this, they may be one of the first places children or their parents turn to when they are experiencing mental health problems. The Panel identified problems of communication, especially in regards to language issues, as a key barrier to identifying a mental health issue. Many GPs are unequipped and lack the confidence in dealing with children and young people mental health issues. Moreover some GPs are not well informed of what local services are available and what the correct pathways to refer patients onto are. Martin Bould stated that the THCCG want to work more closely with GPs and that CAMHS will be arranging a meeting between their psychiatrists and psychologists and local GPs in order to develop knowledge and improve communication about referrals.

Recommendation 8:

That the THCCG work with CAMHS to review GP training in children and young people's mental health, including raising awareness of referral pathways for service users.

10.13. The Health Scrutiny Panel asked what services are in place to help children who are emotionally impacted by FGM. Nasima Patel stated that within Social Care there is a MOPAC funded project to address both the physical and mental symptoms of FGM, and there is a full time worker placed at the hospital picking up case work. The challenge for FGM has been long standing and a clear gap remains in identifying the total number of people who have been impacted by this.

10.14. The Health Scrutiny Panel stated that there is a clear stigma around mental health for some BME communities and asked if this has led to the reported increase in exorcisms, with some people in particular BME communities going to witch doctors for treatment. Percy Aggett stated that it is an issue and CAMHS work with Imams and the Muslim Families Group to tackle this. Bill Williams stated that there is more work to do around the cross cultural understanding and definitions of mental ill health. Providers need to work with community leaders, specifically Imams to develop an understanding of when it is appropriate for a young people to seek support from an Imam (or other religious leader) and when it is appropriate to be referred to a specialist CAMHS.

Recommendation 9:

That the council, THCCG, and Tower Hamlets CAMHS work with community leaders to improve cultural understanding of mental health and raise awareness of the services in place to support residents with a mental health need.

10.15. Nasima Patel stated that there are many services in the borough to support children with mental health issues however there are still many service users whose needs are not being met, partly because we are relying on professionals telling us and leading the way and partly because we are relying on families presenting with issues, and neither mechanism is sufficient to identify all those with a mental health issue. The Health Scrutiny Panel asked where mental health services for children and young people are being advertised, because in their experiences a lot of parents are unaware of the support available. Nasima Patel stated that the Parent and Family Support Service is used by a large number of residents and this is particularly true for BME families, however the problems stem from the service failing to engage the most vulnerable clients. The Health Scrutiny Panel stated that in the Youth Court, for any parent of a child under 16, it has to consider a parenting order. This is a Court Order which is designed to provide parents with support and guidance. It aims to help parents prevent their child from offending and committing antisocial behavior, and helps parents get their child to attend school every day and address issues of behavior at school after they have been excluded. However the Tower Hamlets Youth Offending Service has advised the Youth Court against taking such action and this is something which needs to be re-evaluated.

10.16. There are cultural and stigma issues attached to mental health issues for BME communities and this is an area which needs to be addressed in Tower Hamlets. Furthermore at a national level we know there are gender barriers restricting access to the service and consequently work has been undertaken to overcome the gender barriers in Tower Hamlets.

Recommendation 10:

That the council, THCCG and CAMHS undertake work to reduce the stigma of mental health including rebranding and renaming services.

10.17. East London Foundation Trust data shows that only 36% of young people seen at Tower Hamlets specialist CAMHS are Bangladeshi. Given that the schools data indicates that approximately 60% of children and young people in schools are of Bangladeshi origin it is evident that they are significantly underrepresented. There is evidently an unmet need in the Bangladeshi community which could also be reflected among other ethnic minorities which may be hard to reach if only traditional mainstream approaches are used. The Health Scrutiny Panel commented that services need to do more work to ensure they are representative of the community. It will be more effective for services if they recruit people from backgrounds which are representative of Tower Hamlets as people are more likely to engage with people from their own background and culture, especially given the stigma attached to mental health in BME communities.

Recommendation 11:

That CAMHS consider ways to make the service more accessible through reviewing their workforce to ensure it is reflective of the community.

Recommendation 12:

That the council, THCCG and CAMHS improve engagement with children and families in order to increase awareness of mental health in all communities in the borough.

10.18. The Health Scrutiny Panel commented that a lot of the work performed by Docklands Outreach should be performed within the council by Youth Services. The council's Youth Services need to engage more young people on the streets through actively walking the streets and meeting them in places where they are comfortable. Runa Khalique stated that Docklands outreach have been working in partnership with the council's Youth Services by delivering street and outreach services that compliment centre based provision. As a trusted organisation most young people feel more comfortable talking to Docklands staff about sensitive issues like mental health, and they are trained in various forms of detached work like drugs & alcohol, sex & relationships, conflict & mediation and some clinical interventions in addressing low mood, anxiety and depression. Karen Badgery stated that there is currently a review of Youth Services with the aim of redesigning it to better meet the needs of service users. The Health Scrutiny Panel feels it is imperative for a representative from CAMHS to be involved in the review of Youth Services.

10.19. The Health Scrutiny Panel asked about the role of the Children Centres in supporting the emotional wellbeing needs of children and parents, and how well equipped staff in these a centre are to identify children who may have a mental health issue and be in need of additional support. Nasima Patel stated that health visitors are placed in Children Centres to act as a safety net and ensure families and children receive the correct support. All staff in Children Centres use the Common Assessment Framework (CAF) to recognise when a child requires additional support or referral to further CAMHS. The Health Scrutiny Panel asked how good youth services and other universal services are at using the Common Assessment Framework (CAF) to refer cases. Nasima Patel stated they are not as good as Children Centres and there is more work which needs to be done in this area.

Recommendation 13:

That the council undertakes an audit to check the usage and success of the CAF system in Children Centres and other universal services.

10.20. A key challenge for the council is developing the skills and knowledge of not just the mental health workforce but the wider workforce of teachers, youth workers and council officers. This remains a core target for the council and has already been achieved in small pilot projects however the challenge is mainstreaming this model in an effective way across a varied workforce.

Recommendation 14:

That the council and THCCG raise awareness about mental health and support services amongst non-MH staff working with young people to improve accessibility to appropriate support.

Take-off to transformation

A series of local initiatives for children and young people's mental health services in Tower Hamlets

(January to September 2016)

NHS Tower Hamlets Clinical Commissioning Group (THCCG) and its partner organisations are currently working on a number of local initiatives that will improve the mental health and wellbeing of children and young people in Tower Hamlets through the transformation of local services.

Campaign to help increase awareness and reduce stigma

We will soon be planning and running a mental health awareness and anti-stigma campaign for children and young people and their families in the borough. Children and young people will be actively involved in this.

We have had an initial planning meeting with the voluntary sector forum to get feedback on the key messages and themes and we had a meeting for young people across the borough on 28 January in order to help plan the campaign. We have invited organisations to quote for campaign materials, reaching out to the Bangladeshi community, and engaging groups with higher vulnerability to mental health problems

Involving children, young people and their families

We will be setting up an advisory group of young people who will be able to suggest ways we can make the most of our transformation opportunities. Tower Hamlets Parent and Family Support Service will help us get this started.

As well as the advisory group, there will be opportunities to include young people in:

- Improving information about eating disorders and how to get help
- A review of local services for young people in crisis
- Testing out digital access and shaping mental health services in the future
- Development and evaluation of our awareness campaign

Improving information

We will soon be developing a digital platform localised for Tower Hamlets through which children, young people and parents can find out information about services, contact services, and get information about early signs of difficulties and tips for dealing with them.

Partnership and feedback project for specialist CAMHS

This service will increase efforts to gather feedback from users of specialist Children and Adolescent Mental Health Services (CAMHS). We intend to double the number of children and young people responding from 15 to 30%.

Young people in care and children at the Pupil Referral Unit (PRU) will benefit from in-depth studies undertaken by specialist CAMHS and the Tower Hamlets Council. We will use the information about their needs to improve the support they get, including for those known to the PRU at risk of social isolation.

Specialist CAMHS will support their staff in a capacity-building project to get feedback from families and to involve partner organisations in a new way of working together on promotion and prevention so children and young people thrive, following the principles of the 'Thrive' model developed by the Anna Freud Centre (a mental health research and training charity).

Working with local schools and GPs

Twenty-four schools in Tower Hamlets are taking part in local workshops run by the Anna Freud Centre to improve links between specialist CAMHS and schools, as part of a national initiative announced late last year*.

In addition, training sessions on mental health and emotional wellbeing are being offered to school governors. We also plan a fact-finding initiative to identify how children can get the best joined up support from physical and mental health services, so they can make the most of their education.

East London NHS Foundation Trust (ELFT) will be organising workshops for GPs to talk through when and how to refer a child or young person for more specialist help around mental health.

We will also be undertaking some specific awareness raising about eating disorders.

New services planned for 2016

The THCCG commissioning intentions include the following new services:

- A community eating disorder service for children and young people, as part of our local specialist CAMHS, offering treatment within a week for urgent cases and four weeks for everyone, following assessment by an eating disorder specialist team
- A new mental health service for young people, working with existing local youth organisations

A telephone advice service for professionals wanting to refer children and young people to specialist CAMHS has already been piloted by ELFT in 2015.

We have also identified priority areas for new service development:

- Children with higher vulnerability to mental health problems – including looked after children, those in touch with the criminal justice system, and those who have been abused
- Teenagers with severe and persistent conduct disorder
- Perinatal and neurodevelopmental mental health services

Outcomes based commissioning

We have already agreed a shared outcomes framework and a set of outcome measures based on the views of children and young people about what is important, and those of professionals. We will be working with staff in organisations to develop their awareness and understanding of those outcomes and how to measure them.

We will be testing out digital ways of easily measuring those outcomes and collecting the data so we can see if there is improvement in children and young people's mental health in the borough. We are also commissioning an expert study to help us define the outcomes universal children's services should be aiming for, if they are going to give children the best chance of avoiding mental health difficulties in later life.

	Outcome cluster	Outcomes
Individual	Symptom improvement / maintenance	1. My issues with mental health are reduced
	Functioning	2. I can carry out the daily activities expected of me
		3. I lead a healthier lifestyle
	Achievement of goals	4. I am able to take part in activities that are important to me
		5. I am working towards developing my potential
Empowerment: Self-determination	6. On balance, I feel good about myself	
	7. My life has a sense of purpose	
Empowerment: Self management	8. My family / carers and I have a better understanding of my mental health	
	9. I am able to manage when things get difficult	
Interpersonal	Improved interpersonal relationships	10. I am able build and maintain good relationships
		11. I am able to express my feelings
	Family / carers	12. I am supported as part of a family
Whole System	Improved experience	13. My family and I have a positive experience of the services
		14. My family and I feel listened to by the services
		15. I feel safe from harm
	Improved access and early intervention	16. My family and I can access services when we need it
		17. My family and I know where to go when I want help
	Reducing exclusion and stigma	18. My physical health needs are considered alongside my mental health needs
		19. My family and I do not feel we are treated differently on account of my mental health
20. My cultural and religious needs are met		



The responses below are part of a co-ordinated programme of work across the Council, CCG and providers to transform mental health and emotional wellbeing services for children and young people, delivered in response to the joint Mental Health Strategy and CYP Mental Health and Wellbeing Transformation Plan.

Action	Responsibility	Date
<p>Recommendation 1: That the council and Tower Hamlets Clinical Commissioning Group (THCCG) work with the voluntary and community sector to support and strengthen early intervention services in the borough.</p>		
<p>The Council prioritised emotional health and wellbeing in the children and families strand of the Council’s Mainstream Grants Programme and a number of organisations, including Step Forward and Toyhouse Libraries provide services that support children, young people and families emotional health and wellbeing needs. We also commission Docklands Outreach who are a key partner in the Improving Access to Psychological Therapies (IAPT) programme have trained IAPT practitioners and deliver services on behalf of children’s social care. All services complement and prevent escalation to specialist CAMHS. We are also in the process of better coordinating our early help offer in children’s services which will include those delivered by our third sector partners and these will include emotional health and wellbeing services.</p>	<p>Nasima Patel/Karen Badgery (LBTH)</p>	<p>December 2016</p>
<p>LBTH Public Health is running 2 year pilot programme “Better Beginnings” through which 4 x VCS based locality Parent and Infant Wellbeing Coordinators recruit and supervise team of peer supporters/volunteers to provide support for local parents and carers during pregnancy and the first year of the baby’s life. Primary focus is promoting maternal mental health, supporting secure emotional attachment, parent/infant communication, sensitive attuned parenting and peer support. Organisations report quarterly on activity; multi-agency steering group meets to support work quarterly; evaluation April 2017</p>	<p>Simon Twite (LBTH)</p>	<p>Evaluation April 2017</p>
<p>TH CCG has commissioned a Young People’s Mental Health Service from Step Forward, a local charity working in partnership with Docklands Outreach on a three year contract, following a competitive procurement. From 1 January 2017, the service will provide: (a) additional mental wellbeing services working with local youth services, (b) evidence-based individual and group</p>	<p>Martin Bould (CCG)</p>	<p>Stepping Stones service commenc</p>

<p>counselling, and (c) joint programmes with more specialist services. This is designed as an innovative, flexible, accessible and responsive service delivered on a partnership basis from a number of locations for young people aged 14 to 21, providing early intervention and a model which complements specialist CAMHS. The pilot phase of implementation will report in July 2017, showing the number of young people reached and the number of local partnerships established.</p>		<p>es January 2017, initial report July 2017</p>
<p>Recommendation 2: That the council, CCG, specialist CAMHS and local services raise awareness of mental health issues, before children and young people reach specialist services, by promoting patient stories and examples of what mental health issues can turn into, with particular focus on BME communities.</p>		
<p>LBTH Healthy Schools programme (delivered by LBTH Healthy Lives team) delivers work to support schools to support pupils’ emotional health & wellbeing, including giving pupils a voice, anti-bullying work, raising self-esteem and promoting a positive body image. Model informed by WHO Health Promoting Schools framework. 84% of primary school and 87% of secondary schools in TH have Healthy Schools London Status Bronze Accreditation (highest in London).</p>	<p>Kate Smith (LBTH)</p>	<p>Ongoing</p>
<p>LBTH Public Health-commissioned Mental Health First Aid (MHFA) training for voluntary sector, Local Authority and health organisations (increasing knowledge and skills to support early identification/intervention); patient stories are key part of teaching; in 2016/17 – additional funding obtained to deliver a Mental Health First Aid Instructors Programme - a train the trainer programme in order to sustain the learning and impact of the programme. The programme will train 12 healthcare professionals by March 2017.</p>	<p>Sukhjit Sanghera (LBTH)</p>	<p>MHFA – 12 trainers trained by March 2017</p>
<p>The CCG, through the jointly agreed Local Transformation Plan, has commissioned 8 local organisations and 5 national organisations to deliver a series of awareness activities as a local campaign from July to the end of 2016. The Mix on-line awareness and information pilot uses patient stories, and the HealthWatch video includes 4 mini-dramas created by young people. The programme includes outreach and dedicated sessions for Bangladeshi parents. Reports are due in November 2016 (The Mix pilot) and October 2016 (HealthWatch). The CCG has awarded an innovation bursary to the Somali Integration team (a project to place Somali volunteers in 10 GP practices to aid outreach & support better experiences of GP surgeries for Somali women) and will discuss with them mental health awareness as this was an issue raised</p>	<p>Martin Bould (CCG)</p>	<p>Transform ation reports on awareness November 2016 Somali Integratio n health</p>

<p>at the Somali Health Day in 2015. The project will work in 10 GP practices will recruit 12 volunteers and aims to reach between 50 and 60 women by March 2017</p>		<p>volunteers outreachin g by March 2017</p>
<p>Recognising that some referrals to specialist CAMHS are inappropriately made – research suggests between 20-25% - a Triage team has been established to review all new referrals to the service. Young people not requiring a specialist provision are signposted to web based or third sector provision. In a few instances and where considered clinically appropriate, young people are offered 1-2 appointments to talk through their concerns. The Triage provision includes a Bi-Lingual Co-Worker who speaks Sylheti and Bengali improving engagement with the majority Bengali community in Tower Hamlets. This provision builds resilience and helps to raise awareness of mental health matters at an early stage. Service user participation groups support the wider dissemination of mental health knowledge and understanding.</p>	<p>Bill Williams (CAMHS)</p>	<p>Ongoing</p>
<p>Recommendation 3: That the council ensure all frontline professionals who come into contact with children regularly or/and in a professional capacity (not just mental health professionals) are able to identify children with mental health issues and know what to do once they have identified a vulnerable child.</p>		
<p>LBTH Public Health has funding from Health Education England (through TH CCG Community Education Provider Network) to develop and deliver multi-disciplinary parent and infant emotional health and wellbeing training programme in 2016/17. It will work with Public Health, LBTH Early Years/Children’s Centres, CAMHS, Primary Care, Tower Hamlets Community and Voluntary Sector, Bart Health Maternity Service, TH Health Visiting service and TH Family Nurse Partnership (FNP). Its aim is to build on the existing knowledge and capacity of local maternity and early years services to strengthen integrated working across services in order to provide appropriate, accessible and joined up support for parents and infants during pregnancy and the first year of life. A programme of workshops in localities will be complete by February 2017 and an evaluation report completed in April 2017. Between 108 and 148</p>	<p>Simon Twite (LBTH)</p>	<p>Training complete February 2017, evaluation April 2017</p>

<p>staff will receive training</p>		
<p>TH School Health Service attracted funding to run Young Minds Empowerment Programme (2014/15 – 15/16), an empowerment and training programme to upskill/support School Nursing teams to better identify and support young people with emotional and mental health concerns. Knowledge and skills to be built up across whole workforce, reporting on impact from 2016/17 academic year.</p>	<p>Simon Twite (LBTH)</p>	<p>Impacts reported from 2016/17 academic year</p>
<p>As a key preventive health service, Health Visitors undertake a holistic assessment of the family and parental capacity to meet their infant’s needs, enabling early identification of needs and risk. Preparing for adulthood and the early years are an important opportunity for prevention and early intervention. The service facilitates early identification of the potential risk for domestic violence and abuse, and through provision of early help can reduce the potential for these factors escalating into more serious concerns, including increased risk of longer term poor emotional and mental health outcomes. New contract with new provider from April 2016, service reviewing structures and caseloads in order to increase capacity; quarterly delivery reviews; under previous provider service carried out 977 new birth visits (98.2%) within Q4 2015/16.</p>	<p>Esther Trenchard-Mabere (LBTH)</p>	<p>Contract reports caseload quarterly</p>
<p>LBTH Public Health was funded 2015/16 from Health Education England (through TH CCG Community Education Provider Network) to develop and deliver multi-disciplinary Mental Health First Aid training for voluntary sector, LA and health organisations (increasing knowledge and skills to support early identification/intervention). Over 181 people took part, including social workers, housing providers, police, probation, employment services, sheltered homes, community workers and health trainers. As described in response to Recommendation 2 above, funding was obtained for 2016/17 to deliver a Mental Health First Aid Instructors Programme - a train the trainer programme in order to sustain the learning and impact of the programme.</p>	<p>Sukhjit Sanghera (LBTH)</p>	<p>See Recommendation 2 above</p>
<p>Recommendation 4: That the council reviews the data it holds on care leavers and pregnancy to investigate if there is a link between care leavers, teenage pregnancy and mental health issues.</p>		

<p>We know there are currently 25 care leavers who are either pregnant or who are mothers. They are referred to Step Forward for advice, information and support. In addition, young mothers also receive support from the borough’s midwifery service and if they have significant needs through the Family Nurse Partnership. We will explore whether there are any links between teenage pregnancy for this cohort and mental health issue.</p>	<p>Nasima Patel/Khalida Khan/Public Health (LBTH)</p>	<p>March 2017</p>
<p>Recommendation 5: That the council undertakes further work with young care leavers to educate them on sexual health</p>		
<p>LBTH Public Health to explore options for working with care leavers with commissioned VCS sexual health services (Step Forward).</p>	<p>Chris Lovitt (LBTH)</p>	
<p>Recommendation 6: As part of any future re-refresh of the Local Transformation Plan, the council, CCG and partner agencies should consider how services can be improved for children and young people who are in contact with criminal justice services, and who have a higher vulnerability to mental health problems.</p>		
<p>The Council’s Youth Offending Service has a specialist CAMHS practitioner embedded within the service to identify and support young people with emerging mental health issues and refer to specialist services those with an identified need.</p>	<p>Nasima Patel (LBTH)</p>	<p>On going</p>
<p>Working in partnership with Children’s Social Care and other local agencies, including ELFT, the police, RLH and the voluntary sector, the CCG is developing a co-commissioning project to strengthen mental health pathways for young people in contact with the criminal justice system. A Memorandum of Agreement with NHS England regarding funding for this project is due to be drawn up in September 2016.</p>	<p>Martin Bould (CCG)</p>	<p>Agreement for local project by September 2016</p>
<p>Recommendation 7: That the council and THCCG strengthen engagement and training for CAMHS service users to empower them with the skills and knowledge to effectively contribute to service development.</p>		


<p>The local Children and Young People’s IAPT programme has an engagement strand which is led by a parent. The aim of the work stream is to engage and empower service users to contribute to service developments. IAPT itself also puts the service user at the centre of the service and empowers them to actively engage and make decisions about their care at an individual level.</p>	<p>Nasima Patel (LBTH)/Bill Williams (ELFT)</p>	<p>On going</p>
<p>The Council’s Parent and Family Support Service has developed an engagement programme with the Youth Council and All Ability forum to train parents and young people in mental health awareness. A programme of activities to March 2017 will be developed. Resources came from jointly agreed NHS England Transformation money and CAMHS and Schools Link training pilot funds, routed through the CCG. This work will contribute to the awareness campaign projects, and contribute to mental health procurement. The Mix’s digital campaign includes training for young editors and co-commissioning workshops: an evaluation workshop with young people will be held in September 2016.</p>	<p>Terry Parkin (LBTH)/Martin Bould (CCG)</p>	<p>Co-commissioning workshop Sept 2016 PSS report March 2017</p>
<p>Recommendation 8: That the THCCG work with CAMHS to review GP training in children and young people’s mental health, including raising awareness of referral pathways for service users.</p>		
<p>The CCG in partnership with the ELFT CAMHS has promoted training for GPs through protected learning time and has also promoted GP training through the national charity B-EAT. As part of the jointly agreed transformation plan, the CCG agreed a programme with CAMHS to develop GP awareness (described below). This will be reported in November 2016.</p>	<p>Martin Bould (CCG)</p>	<p>Report on GP training November 2016</p>
<p>Specialist CAMHS also contribute information on service developments to the Tower Hamlets GP Bulletin.</p>	<p>Bill Williams (CAMHS)</p>	<p>Ongoing</p>
<p>Recommendation 9: That the council, THCCG, and Tower Hamlets CAMHS work with community leaders to improve cultural understanding of mental health and raise awareness of the services in place to support residents with a mental health need.</p>		
<p>LBTH Public Health commission Flourishing Minds programme; 3 aims – promoting awareness of mental well-being, improving mental health literacy and reducing stigma. One of 3 aspects is working with Somali women (provider is the Somali Integration Team). A series of workshops</p>	<p>Sukhjit Sanghera (LBTH)</p>	<p>Complete</p>

<p>were planned for summer 2016.</p>		
<p>The CCG has developed a community commissioning panel which will advise on local engagement, and for three years has funded patient leader programmes, which involve local community members in health improvement projects. The Mark Your Mind awareness campaign described above also engages community leaders explicitly in mental health awareness. As part of the jointly agreed transformation plan, the CCG funded 5 training events for school governors. Final reports will be available in January 2017.</p>	<p>Martin Bould (CCG)</p>	<p>Awareness campaign final reports January 2017</p>
<p>-Specialist CAMHS staff attend Working with Muslim Families Seminars. -Specialist CAMHS has been expanding its pool of Bilingual Support Workers speaking the variety of local languages.</p>	<p>Bill Williams (CAMHS)</p>	<p>Ongoing</p>
<p>Recommendation 10: That the council, THCCG and CAMHS undertake work to reduce the stigma of mental health including rebranding and renaming services.</p>		
<p>LBTH Public Health commission Flourishing Minds programme; 3 aims – promoting awareness of mental well-being, improving mental health literacy and reducing stigma.</p> <p>3 components: 1) young people with a focus on NEETS and young people in supported accommodation (provider is Look Ahead) 2) Somali women (provider is the Somali Integration Team - see Recommendation 9 above) 2) Male offenders (provider is Providence Row).</p>	<p>Sukhjit Sanghera (LBTH)</p>	
<p>The programme of work described above addresses stigma – for example, the awareness campaign (Mark Your Mind – as in response to Recommendation 2 above), and the new young people’s mental health service (Recommendation 1). Step Forward are developing a new brand identity for the latter service, provisionally using the name Stepping Stones (as described in response to recommendation 1 above)</p>	<p>Martin Bould (CCG)</p>	<p>As in response to recommendation 2 above</p>
<p>-Specialist CAMHS have appointed two participation workers who work directly with young people and parents to improve feedback loops</p>	<p>Percy Aggett (CAMHS)</p>	<p>Ongoing</p>

<ul style="list-style-type: none"> -We are developing our links with the PACSEN group to provide input in terms of advocacy and representing parents in our management team -We have a group looking at improving our leaflets and web design -Our conduct disorder team is creating innovative non-stigmatising therapy groups 		
<p>Recommendation 11: That CAMHS consider ways to make the service more accessible through reviewing their workforce to ensure it is reflective of the community.</p>		
<ul style="list-style-type: none"> -Specialist CAMHS is improving its Bilingual Co-Working Service by rebranding these workers as Cultural Consultants -Currently 20% of the workforce is Bangladeshi and we are seeking ways to improve this via our Equalities group -An Equalities group has been formed, meeting on 23/9 to scope the workforce composition in the context of a major research paper from NHS England. 	<p>Percy Aggett (CAMHS)</p>	<p>Ongoing</p>
<p>Recommendation 12: That the council, THCCG and CAMHS improve engagement with children and families in order to increase awareness of mental health in all communities in the borough.</p>		
<p>The partnership with Parent and Family support service described in response to recommendation 7 describes the CCG’s joint work with the Council. A group of Mark your Mind champions will be established with activities in September and October designed to get young people’s views.</p>	<p>Martin Bould/Jill McGinley (CCG)</p>	
<ul style="list-style-type: none"> -Specialist CAMHS provide a welcome call to all new service users of the service -Specialist CAMHS runs over 12 well attended groups for different sorts of wellbeing problems -We are in the process of setting up drop-in locations -Each school in TH has a named person at specialist CAMHS -As a member of CYPIAPT, goal based outcomes are used routinely, which research shows increases engagement 	<p>Percy Aggett(CAMHS)</p>	<p>Ongoing</p>
<p>Recommendation 13: That the council undertakes an audit to check the usage and success of the CAF system in Children Centres and other universal services.</p>		

<p>There are regular reviews of the CAF system and the next review will consider usage in children’s centres and other services.</p>	<p>Terry Parkin (LBTH)</p>	
<p>Recommendation 14: That the council and THCCG raise awareness about mental health and support services amongst non-MH staff working with young people to improve accessibility to appropriate support.</p>		
<p>Children’s social care has embedded CAMHS practitioners in social work teams in order to develop the capacity of social work staff to better identify and respond to the emotional health and wellbeing needs of children and young people known to social care. The programmes above also provide information on where this work is happening across universal services.</p>	<p>Nasima Patel (LBTH)</p>	<p>Ongoing</p>
<p>The CCG, CAMHS and Education Psychology, have cooperated to deliver a national pilot training programme for 24 schools (attended by two staff members from each school for two separate days). A follow up event in Tower Hamlets has been scheduled for 18 October 2016 and a national evaluation report is also due at the end of 2016 (date to be confirmed). The CCG has also funded (again through jointly agreed transformation monies) training for GPs in eating disorder awareness (8 and 28 September 2016), and has supported CAMHS to develop a programme of GP awareness training and briefing to GP networks about services and referrals, as described in response to Recommendation 2 above.</p>	<p>Martin Bould (CCG)</p>	<p>Schools network event in October 2016 – others as in Recs. above.</p>

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<p>Cabinet</p> <p>6th December 2016</p>	 <p>TOWER HAMLETS</p>
<p>Report of: Graham White, Acting Director of Law Probity & Governance & Aman Dalvi, Director of Development & Renewal</p>	<p>Classification: [Unrestricted]</p>
<p>Homelessness Scrutiny Challenge Session Action Plan</p>	

Lead Member	Cllr Sirajul Islam
Originating Officer(s)	Muhibul Hoque, SPP Officer (LPG) & Mark Baigent, Acting Service Head Strategy & Regeneration (D&R)
Wards affected	All Wards
Key Decision?	No
Community Plan Theme	A Great Place to Live

Executive Summary

This report submits the report and action plan in response to the recommendations of the Scrutiny Challenge Session on Homelessness.

Recommendations:

The Mayor in Cabinet is recommended to:

Note the report of the Scrutiny Challenge Session on homelessness as set out in Appendix 1.

Approve the action plan which sets out the Council's response to the recommendations of the Scrutiny Challenge Session in Appendix 2.

1. REASONS FOR THE DECISIONS

1.1 This report outlines the findings and recommendations from the scrutiny challenge session on homelessness (Appendix 1) which was part of the OSC work programme for 2015/16 municipal year. The report was approved at OSC on 7th June. The Council's responses to these recommendations are outlined in the action plan in Appendix 2 and both documents are now due for consideration by Cabinet.

2. ALTERNATIVE OPTIONS

2.1 Cabinet may decline not to agree the action plan. This is not recommended as the report outlines work undertaken by Councillors and officers to identify

areas of improvement and the Council's response which identifies actions it will take to implement these recommendations.

3. DETAILS OF REPORT

3.1 As part of its work programme for 2015/16 the Overview & Scrutiny Committee agreed that it would hold a challenge session on homelessness which was led by Councillor Helal Uddin (Scrutiny Lead Development & Renewal).

3.2 The scrutiny challenge session took the format of an evening meeting which was held at the Town Hall. The session was attended by:

Cllr Helal Uddin	Chair, Scrutiny Lead for Development & Renewal
Dr Phillip Rice	O&S Co-opted member, Church of England Diocese
Cllr Marc Francis	Councillor, Bow East Ward
Cllr Khales Uddin	Councillor, Bromley North Ward
Cllr Sirajul Islam	Cabinet Member for Housing & Deputy Mayor
Janet Slater	Service Manager Housing Options
Lorraine Douglas	Service Manager Housing Options & Procurement
Martin Ling	Strategic Housing Manager
Kath Dane	Street Population Co-ordinator
Muhibul Hoque	Strategy Policy & Performance Officer
Gary Messenger	Head of Strategy & Partnerships, Homeless Link
Susmita Sen	Chief Executive, Tower Hamlets Homes
Keith Greer	Regional Manager, Homelessness Unit, Salvation Army
Lisa Iglesias	Head of Strategy & Service Development, Praxis

3.3 The challenge session and one to one interviews with service managers in the Housing Options Service (the Service) considered four core issues:

- a) The use of bed & breakfast accommodation (B&B) by the Council for families with dependent children and pregnant women over the six week statutory period;
- b) The long term viability of moving away from B&B placements;
- c) The impact of the Council's prevention work as well as the action plan related to the homelessness statement (including the achievements of this action plan, the monitoring arrangements and the lessons learned); and
- d) How the customer satisfaction of homeless applicants could be improved further, regardless of whether the Service owes a statutory duty.

3.4 This report considers the evidence gathered in the scrutiny challenge session on homelessness and in-depth interviews with Council officers in the Service. The report reviews the specific policy documents which govern the Service's aims and objectives in this area. It considers why the borough has been in the

top ten authorities for the use of temporary accommodation over the course of the year, as well as scrutinising how it plans to meet the demand for accommodation. It also examines the Council's use of Bed & Breakfast placements over the statutory six week limitation period for families with dependents/pregnant women.

- 3.5 The report makes a series of recommendations which:
- strengthen the protection given to homeless households;
 - considers the wider publicity of the Council's homelessness policies;
 - plan for the demand and supply of accommodation more effectively;
 - improve transparency and accountability;
 - further enhance the customer experience of homeless applicants;
 - clarify the Service's approach to how it will deliver its objectives;
 - work with partners to tackle the issues raised.
- 3.6 A comprehensive action plan has been developed responding to the seventeen recommendations set out in the scrutiny challenge session report in Appendix 1, this includes 25 actions the Service will take to meet the recommendations (attached in Appendix 2).

4. COMMENTS OF THE CHIEF FINANCE OFFICER

- 4.1 Following a Homelessness Scrutiny Challenge session that took place on 7th June 2016, this report asks the Mayor in Cabinet to approve the proposed Action Plan that has been prepared in order to meet the Committee's recommendations.
- 4.2 As outlined in the Overview and Scrutiny report, as a result of the combination of the increasing numbers of applications to the homelessness section, the scarcity of available temporary accommodation and the high levels of rent charged to the council, significant service pressures are being faced. Due to the difficulties in procuring suitable accommodation within the borough, it is necessary to place families in temporary bed and breakfast accommodation as well as the increasing need for properties to be provided outside Tower Hamlets.
- 4.3 The gross budget of the Homeless Service for 2016-17 is £35.4 million, with the major cost element being the £27.4 million budget for the rent payable to landlords for the supply of temporary accommodation. The main source of income derives from the rents and charges that are levied to customers.
- 4.4 The majority of the rental income is however met through benefits payments, so the financial implications within the service budget cannot be looked at in isolation. Although the council has a statutory duty to pay benefits, the level of subsidy that is recouped from the DWP is capped. The high rent levels charged by suppliers of temporary accommodation are leading to budgetary pressures within the Housing Benefits budget due to this variance between the statutory benefits paid out and the Government subsidy received.

- 4.5 The council is likely to face additional service and budgetary demands if the Homelessness Prevention bill, which is presently being considered by Parliament, is adopted as legislation. Although specific detail is not currently available, the bill proposes that local authorities will be statutorily responsible for new duties to prevent homelessness, and although any financial impact is not quantifiable at this stage, it could create significant additional pressures on the council's Medium Term Financial Strategy.
- 4.6 The Homelessness Strategy is incorporated within the various Housing Strategy documents that were considered by the Mayor in Cabinet in November before being referred to full Council for adoption. The actions proposed in this report will contribute towards improvements in service delivery and whilst at this stage there are no specific financial consequences arising directly from the recommendations, ultimately the Housing Strategy and its constituent elements will underpin key decisions in relation to service provision and must be considered within the context of the council's funding gap and the Medium Term Financial Strategy.

5. LEGAL COMMENTS

- 5.1 The Council is required by section 9F of the Local Government Act 2000 to have an Overview and Scrutiny Committee and to have executive arrangements that ensure the committee has specified powers. Consistent with this obligation, Article 6 of the Council's Constitution provides that the Overview and Scrutiny Committee may consider any matter affecting the area or its inhabitants and may make reports and recommendations to the Full Council or the Executive in connection with the discharge of any functions. It is consistent with the Constitution and the statutory framework that the Scrutiny Challenge Session Report and recommendations in it be submitted to Cabinet for consideration.
- 5.2 This report provides details of an Overview and Scrutiny challenge session and subsequent report titled "Homelessness Scrutiny Challenge Session Report" which makes 17 recommendations. This Report is at Appendix 1.

- 5.3 In response to the recommendations, an action plan has been prepared and which is at Appendix 2. In all but 3 of the recommendations (3, 9 and 12), actions have been proposed. There are a total of 25 actions and all appear to be capable of being carried out within the Council's powers.
- 5.4 Generally regarding homelessness, the Council has a duty under Part VII of the Housing Act 1996 ('the 1996 Act') to secure that accommodation is available for eligible applicants who are homeless, in priority need and not intentionally homeless. When the local authority receives a homeless application, it has a duty to assess the applicant's circumstances to decide what help, if any, they are entitled to and make enquiries. On completion of its enquiries, if the local authority decides to accept a full housing duty it must continue to accommodate the applicant in suitable temporary accommodation until such time when that duty comes to an end.
- 5.5 Recommendation 6 at page 19 of the Homelessness Scrutiny Challenge Session Report states that the Mayor should not authorise officers to discharge the main homelessness duty through a PRS offer.
- 5.6 The Council may discharge its housing duty by making
- i) an offer of suitable accommodation under S193 of the Housing Act 1996;
 - ii) an offer of suitable accommodation by way of allocation through Part VI Housing Act 1996; or
 - iii) an offer of an assured shorthold tenancy with a private landlord (a private sector offer)
- 5.7 The adoption of a policy not to permit the use of private sector offers will amount to a fettering of the council's discretion. The council must deal with applications on a case by case basis and the adoption of a blanket policy could potentially be subject to a judicial review.
- 5.8 When discharging the duty, the Homelessness (Suitability of Accommodation) Order 1996 specifies that the accommodation must be suitable, which includes taking into account whether or not the accommodation is affordable.
- 5.9 Section 208(1) of the 1996 Act requires the council to provide accommodation in its own area 'so far as reasonably practicable.' The clear intention is that councils should not simply decant homeless persons into areas for which other authorities are responsible. In areas of acute affordable housing shortage a local authority may decide that it is not reasonably practicable to accommodate people in its own area. The Council can use its own housing stock to secure temporary accommodation under Part 7 in performance of its homeless duties. Such offers of accommodation will not create a secure or introductory tenancy (Housing Act 1985, Sch1, para 4).
- 5.10 Councils must also take into account specific consideration of the matters set out in the Homelessness (Suitability of Accommodation) (England) Order 2012 ('the **2012 Order**') and in particular, paragraph 2 of the 2012 Order which requires consideration of:

- the distance of the accommodation from the district of the authority;
 - the significance of any disruption caused by the location of the accommodation to the caring responsibilities or education of household members; and
 - the proximity and accessibility of support which are currently used and which are essential to the well-being of the applicant or household members.
- 5.11 The Supplementary Guidance on the homelessness changes (Localism Act 2011 and Suitability Order 2012) further advises to secure accommodation as close as possible to the applicants previous address so established links are retained with schools, doctors, social workers etc
- 5.12 Following the Supreme Court's decision in the case of *Nzolameso* local authorities are expected to address more specifically, in evidential terms, why it cannot offer accommodation within the Borough and the steps it has taken to secure accommodation closer to the Borough. It is crucial that suitability decisions be more specific, both in evidential terms and the reasoning behind it, to demonstrate compliance with the statutory duty to secure accommodation within Borough insofar as reasonably practicable. If not practicable the local authority should seek to place applicants as close as possible to where they were previously living. There may well be good reason (i.e. other households with more urgent medical or social needs) why it has not been reasonably practicable to offer accommodation within Borough. The Judgement advised that, ideally, local authorities should have, and keep up to date, a policy for procuring sufficient units of temporary accommodation to meet the anticipated demand during the coming year.
- 5.13 Whilst the Council had in place written procedures, as a result of this Judgement and given the number of out of borough placements, as well as the expectation that benefit-capped households were likely to be moved further away in order to access (relatively) affordable accommodation, these procedures were incorporated into a Policy to meet this new best practice indication.
- 5.14 The *Homelessness (Suitability of Accommodation Order) England* Order 2003 states that B&B accommodation is not to be regarded as suitable for an applicant with family commitments i.e applicants who are pregnant or whom a pregnant woman or dependent children reside or might reasonably be expected to live with either. Where only B&B accommodation is available for occupation by an applicant with family commitments the applicant should not occupy the B&B accommodation for a period, which exceeds 6 weeks. Where B&B accommodation has been used in an emergency situation, applicants should be moved to more suitable accommodation as soon as possible. There is a risk of challenge by way of judicial review claim in the High Court if the 6 week period is exceeded.
- 5.15 The Homelessness Reduction Bill, which was presented to Parliament in June 2016 had its second reading on 28 October 2016 and is likely to increase the

Council's obligations. The objective of the Bill is to enable and encourage local authorities to intervene at an earlier stage to prevent homelessness; and to improve the provision of support to anyone who is eligible and homeless, regardless of priority need or intentional homelessness.

- 5.16 When considering its approach to homelessness, the Council must have due regard to the need to eliminate unlawful conduct under the Equality Act 2010; the need to advance equality of opportunity; and the need to foster good relations between persons who share a protected characteristic and those who do not.

6. ONE TOWER HAMLETS CONSIDERATIONS

- 6.1 The recommendations and actions outlined in the report (Appendix 1) and action plan (Appendix 2) explore ways the council could use existing resources better e.g. through better informed planning and strategy development, considering how it can reduce expensive costs in relation to temporary accommodation and improve outcomes for the community especially those that are homeless. These all contribute towards the delivery of the One Tower Hamlets priorities and objectives.

7. BEST VALUE (BV) IMPLICATIONS

- 7.1 Several of the recommendations and actions aim to achieve better value for the Council within the resources available. Examples include, investigating the potential to develop long term temporary accommodation options which would reduce the current high expenditure related to the Nightly Paid Market for temporary accommodation.

8. SUSTAINABLE ACTION FOR A GREENER ENVIRONMENT

- 8.1 There are no direct greener environment implications arising from the report or recommendations.

9. RISK MANAGEMENT IMPLICATIONS

- 9.1 There are no direct risk management implications arising from the report or recommendations.

10. CRIME AND DISORDER REDUCTION IMPLICATIONS

- 10.1 There are no direct crime and disorder reduction implications arising from the report or recommendations.

11. SAFEGUARDING IMPLICATIONS

- 11.1 There are no direct safeguarding implications arising from the recommendations and actions.

Linked Reports, Appendices and Background Documents

Linked Report

- None

Appendices

- 1 – Homelessness Scrutiny Challenge Session Report
- 2 – Homelessness Scrutiny Action Plan

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

- List any background documents not already in the public domain including officer contact information.
- None

Officer contact details for documents:

- N/A

**Homelessness
Scrutiny Challenge Session Report**



**London Borough of Tower Hamlets
May 2016**

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Chair's Foreword

Homelessness is a growing problem, more and more people face the prospect of living in cramped conditions such as bed & breakfast and hostels shared with strangers, unsuitable private rented sector properties or just simply sofa surfing with their friends or relatives. Homelessness is due to a number of factors including: reforms to the welfare system, the austerity measures of the current government, rising house prices, rent and fees, and the national housing shortage leading to unaffordability of homes. All of these factors mean that there is significant pressure on the Council to accommodate families in temporary accommodation, while they wait for an offer of a home.

This report considers the evidence gathered in a scrutiny challenge session on homelessness and in-depth interviews with Council officers in the Housing Options Service (HOS). The report reviews the specific policy documents which govern the HOS's aims and objectives in this area. It considers why the borough has been in the top ten authorities for the use of temporary accommodation over the course of the year, as well as scrutinising how it plans to meet the demand for accommodation. It also examines the Council's use of Bed & Breakfast placements over the statutory six week limitation period for families with dependents/pregnant women.

The report makes a series of recommendations which ensure that the service: strengthens the protection of homeless households, implements and publicises policy, adequately plans for the demand and supply of accommodation, is transparent and accountable, and further improves the customer experiences of homeless applicants. It gives the HOS impetus to clarify its approach to how it will deliver its objectives and work with partners to tackle the issues raised in the report.

It is important as Members we hold the Council to account and that it takes steps to improve, where possible, outcomes for the homeless, especially in moving homeless people on to settled accommodation as quickly as possible. It is also more important than ever that the Council and its partners work effectively together to address the rise in homelessness. I hope that this scrutiny challenge session report raises the profile of these issues and focuses our minds towards action.

Councillor Helal Uddin

Scrutiny Lead Member for Development & Renewal

Summary of Recommendations

- 1** – Improvements highlighted in this report in relation to the Homelessness Statement and Action Plan should be incorporated into the new overarching Housing Strategy to be signed off by the Mayor and Full Council.
- 2** - Review existing partnership arrangements and objectives on homelessness, and strengthen joint working in order to respond to threats and demands.
- 3** - The Mayor and Lead Member should undertake a rolling programme of unannounced visits to all the B&Bs and hostels used as both emergency accommodation for homeless families and single people.
- 4** - Housing Options Service on a quarterly basis publish in the Members' Bulletin B&B placements data including the number of unlawful placements.
- 5** – The P1E return needs to be available in a reader friendly format on the Council website and intranet.
- 6** - The Mayor should not authorise officers to discharge the Council's main homelessness duty through a Private Rented Sector offer.
- 7** - Develop and publicise a plan to meet the demands on temporary accommodation.
- 8** - Ensure the future strategy on homelessness adopts an approach to limiting the use of bed & breakfast for families.
- 9** - A summary of all those cases in which a family with children or vulnerable single person has been deemed intentionally homeless should be reported monthly to the Mayor and Lead Member.
- 10** - Implement a package of support for families placed out of borough in order to help households settle into a new borough.
- 11** - Ensure that the policy for determining the suitability of temporary accommodation/private rented sector offers is published and publicly available on the Council's website and intranet site.
- 12** - Explore the potential of prioritising a move back to the borough for homeless families who have been placed out of borough for a long period of time when local temporary accommodation becomes available, which is consistent with the Council's legal duties.

13 - Create awareness amongst hard to engage Registered Providers (RP) on the implications of evictions, and explore what is required to engage with RPs on evictions, including sharing the analysis with all RPs of tenant engagement work undertaken with Poplar Harca on rent arrears and evictions.

14 - Explore customer empathy training for relevant front line staff in the wider Housing Options Advice Service.

15 - Consider a mentoring scheme between HOST trained frontline staff and frontline staff in the wider Housing Options Advice Service.

16 - Undertake an analysis of the recommendations identified in the diagnostic peer review report and implement those that would benefit the service.

17 - A future full scrutiny review looks into homelessness.

1. Introduction

1 As part of its work programme for 2015/16 Overview & Scrutiny Committee agreed that it would hold a challenge session on homelessness which was led by Councillor Helal Uddin (Scrutiny Lead Development & Renewal)

1.1 The scrutiny challenge session took the format of an evening meeting which was held at the Town Hall. The session was attended by (referred to as the Panel):

Cllr Helal Uddin	Chair, Scrutiny Lead for Development & Renewal
Cllr Marc Francis	Councillor, Ward Bow East
Cllr Sirajul Islam	Lead Member for Housing & Deputy Mayor
Cllr Khales Uddin	Councillor, Ward Bromley North
Dr Phillip Rice	O&S member, Church of England Diocese
Gary Messenger	Head of Strategy & Partnerships, Homeless Link
Janet Slater	Service Manager Housing Options
Lorraine Douglas	Service Manager Housing Options & Procurement
Martin Ling	Strategic Housing Manager
Kath Dane	Street Population Co-ordinator
Susmita Sen	Chief Executive of Tower Hamlets Homes
Keith Greer	Regional Manager, Homelessness Unit, Salvation Army
Lisa Iglesias	Head of Strategy & Service Development, Praxis
Muhibul Hoque	Strategy, Policy and Performance Officer

1.2 The agenda for the session included an introduction to the key issues under review followed by presentations on the overall picture of homelessness nationally, local context and pressures, detail on Council services and how they are responding to those pressures.

1.3 The session considered four core issues;

- a) Use of bed & breakfast accommodation by the Council for families with dependent children and pregnant women over the six week statutory period;
- b) The long term viability of moving away from B&B placements;
- c) The impact of the Councils' prevention work as well as the action plan related to the homelessness statement (including the achievements of this action plan, the monitoring arrangements and the lessons learned); and
- d) How the customer satisfaction of homeless applicants could be improved further regardless of whether the service owes a statutory duty.

2. Statutory and Policy Context

- 2.1 People become homeless because they are unable to find a home for a number of reasons, e.g. ending of a tenancy, unaffordable rent and fees, lack of access to social housing, and health and social issues; and therefore as the last resort have to seek state assistance.
- 2.1 The Council supports a number of different types of homeless applicants: they include families, singles or couples, those with mental health issues, people with disabilities, those leaving the prison system and those with any other factors which make them vulnerable. The Council mainly supports people it owes a homelessness duty to¹ but sometimes it may assist singles and couples who it does not owe a homeless duty.
- 2.2 Where a main duty is owed, the Council must ensure that suitable accommodation is available for the applicant. This could be from a range of short term temporary accommodation that is available, discussed below.
- 2.3 Usually when there is a shortage of housing the Council will place homeless people in temporary accommodation until an offer of a settled accommodation is available. The applicant can be expected to pay rent during this time. The accommodation should be suitable and provides the applicant accommodation while they wait.
- 2.4 The different types of accommodation used are:
- Hostels and bed & breakfasts (B&B) – families normally share a single room, usually sharing bathroom and kitchen facilities with strangers.
 - Private Rented Sector Offers (PRS) – accommodation owned by private landlords rented out directly by the landlord to homeless applicants who have agreed to accept a PRSO to prevent homelessness or to discharge the homelessness duty.
 - Private Licenced Accommodation (PLA) – accommodation taken on a 28-day rolling ‘Head’ licence by the authority from a private landlord or Managing Agent, which is then offered to homeless applicants.
 - Nightly Paid Accommodation (NPA) - private sector property rented out on a nightly basis, which is self-contained (not shared with anyone).

¹ In order to be considered as statutory homeless a number of conditions must be met: 1) *The applicant must be 'eligible for public funds' (this will depend on the applicant's immigration status), 2) have some sort of connection to the area covered by the local authority, known as a 'local connection', 3) can prove that the applicant is 'unintentionally homeless' (that it is not the applicant's fault that they became homeless), 4) can prove the applicant is in 'priority need' (pregnant women, dependent children, vulnerable e.g. elderly/mental health, those facing emergency homelessness as a result of flood, fire, or other disaster, aged 16 or 17, aged 21 and have left LA care, vulnerable as a result of leaving the armed forces, prison, fleeing domestic violence. Homelessness Act 2002*

- A relatively small number of properties taken on a 5-year lease, let out to homeless applicants
 - Housing Association Leasehold Scheme (HALS); a relatively small number of leased properties let and managed by a Registered Provider to homeless households nominated by the Council.
 - Non-secure tenancies – properties let to homeless applicants from with the Council’s or Registered Providers’ stock – normally properties designated for regeneration.
- 2.5 The Council has to take a number of things into account when it decides whether the accommodation is suitable:
- how much rent the tenant can afford to pay
 - the condition of the accommodation
 - whether it is the right size for the tenant’s household
 - where the accommodation is and the extent of disruption to
 - any health-care needs the tenant or their families may have
 - social and welfare factors (such as whether the tenant needs to be close to support services, family or special needs schools).
- 2.6 The duty continues until a settled housing solution becomes available. This could be an offer of social housing, or some other circumstance brings the duty to an end. For example if a homelessness applicant refuses to accept an offer of a suitable temporary accommodation that would meet their homelessness needs in the short term.
- 2.7 Where households are found to be intentionally homeless, or not in priority need, the authority must make an assessment of their housing needs and provide advice and assistance to help them find accommodation for themselves.
- 2.8 The Housing Act 1977, Housing Act 1996, and the Homelessness Act 2002, placed statutory duties on local housing authorities to ensure that advice and assistance to households who are homeless or threatened with homelessness is available free of charge.
- 2.9 The Homelessness (Suitability of Accommodation) (England) Order 2003 and the Homelessness Code of Guidance placed a six week limitation on local authorities placing families with dependents or pregnant women in bed & breakfast (B&B) accommodation. Councils that break this legislation are at risk and open to judicial review and to Local Authority Ombudsman rulings on maladministration. In 2013 Birmingham City Council were fined nearly £4000 for placing a woman and her four children in a B&B for more than four months. The Ombudsman stated: *An inappropriate use of B&B accommodation by Councils to house people is a trend we are noticing, so we want other*

Councils to be aware that government guidance is clear that it is an unsuitable long-term option for families”².

- 2.10 There is a statutory duty on every Local Authority to have a Homelessness Strategy which sets out the local authority’s plans for the prevention of homelessness and for securing that sufficient accommodation and support are, or will be, available for people who become homeless or who are at risk of becoming so. The Council must ensure that all partners whose work can help to prevent homelessness and meet the needs of homeless people are involved in the strategy.
- 2.11 The Localism Act 2011 introduced important reforms to social housing and homelessness. The Act allows councils to permanently discharge their homelessness duty by making available suitable accommodation in the private rented sector. It also permits councils to develop their own allocations procedures and introduces fixed-term tenancies for social housing providers to offer social tenants, including a minimum tenancy of five years. The purpose of these changes was to give local authorities more scope to place homeless households in private rented homes, increasing the options for placements.
- 2.12 The Council has six key documents which outline its policy in this area. These include:
- The Homelessness Statement
 - The Older Persons Housing Statement
 - The Overcrowding and Under Occupation Statement
 - The Private Sector Housing Renewal and Empty Properties Policy Framework
 - The Tenancy Strategy, and
 - The Tower Hamlets Allocation Scheme
- 2.13 The challenge session focused particularly on the Homelessness Statement. The Council and its partners produced a Homelessness Statement for the period 2013-2017 and an action plan focused on a number of priority themes. It aims to ensure that local services are best placed to continue to tackle and prevent homelessness by focusing on four key themes:
- Homeless prevention and tackling the causes of homelessness;
 - Access to affordable housing options;
 - Children, families and young people; and
 - Vulnerable adults.

² <http://www.insidehousing.co.uk/council-fined-for-housing-family-in-bb-for-weeks/6527290.article>

3. National Context

- 3.1 Homelessness is rising in England, as approximately 55,000 households were accepted as homeless in 2015 - an increase of 15,000 since 2010 (40,000). 30% of acceptances were due to the ending of an assured short-hold tenancy (AST).
- 3.2 The numbers in temporary accommodation has risen. For example in 2015 numbers of people in temporary accommodation reached approximately 68,500 compared to 50,000 in 2010, a rise of 18,500. This demonstrates significant pressures on temporary accommodation in England.
- 3.3 Of those in temporary accommodation, at present approximately 6000 households were placed in B&B, of which 3000 were families. This is compared to 660 families in B&B in 2010. This has significant implications for those families due to the quality of such accommodation, which impacts on their social well-being, health and education, especially where dependants are involved. This also results in increased costs for local authorities.
- 3.4 In the backdrop to these statistics is a cocktail of conditions; a programme of welfare reform under the current government's austerity measures, an unaffordable private rented sector where house prices and rents have risen substantially, and the long term social and affordable housing shortage.
- 3.5 Data published by the Department for Communities and Local Government for England shows that during 2015 the number of homes built for social rent fell by 12% to 9,590, lower than the 10,920 delivered in 2013-14.
- 3.6 Cuts to local authority funding have further inhibited the ability of Councils to manoeuvre in this area. The freeze on the Local Housing Allowance has meant that there has been a shortfall to Housing Benefit paid to low income households which does not fully cover the cost of private rented sector accommodation.
- 3.7 The Communities and Local Government (CLG) Select Committee began to examine homelessness in December 2015. This work is still in progress is expected to report later in 2016. Its scope has included looking at the causes of homelessness as well as the approaches taken by national and local government to prevent and tackle homelessness. It has also considered how homelessness is monitored, and the re-establishment of the cross-government Ministerial Working Group on Preventing and Tackling Homelessness.
- 3.8 The recent case of *Nzolameso v Westminster Borough Council* in 2015 has implications for local authorities in making out-of-borough placements of homeless people. The Supreme Court stated that the

local authority should identify and have regard to the principal needs of the children, which must be evidenced in their decision. The court found that, amongst others, Westminster Council had not made necessary enquiries into the practicalities of moving schools, whether school places were available and the implications of the appellant's medical conditions. The court also criticised the fact that the authority had not indicated what type of accommodation was available in and around Westminster or recognised that alternative accommodation offered should be as close to Westminster as possible.

4. Local Context

- 4.1 The Council in 2015 received 731 homeless applications of which 77% were accepted (566 applications). In 2010 the Council received 904 applications, 63% of which were accepted (575 applications). Although the absolute numbers accepted increased by only a small amount, the rate at which applications have been accepted has increased by 14% compared to 2010. This is concerning, particularly given the rising trend of homelessness and the existing pressures on finding suitable and settled accommodation.
- 4.2 By the end of the last quarter of 2015, Tower Hamlets had 1,973 households in temporary accommodation compared to 1,770 households in temporary accommodation in 2010.
- 4.3 The Housing Options Service (service) is generally considered high performing. The service has been carrying out industry leading work on its No First Night Out project funded by the GLA. It has implemented various pilot projects with successful outcomes for homeless people. It received a 78% score in a diagnostic peer review undertaken in July 2015 by the London Borough of Hackney and City of London, which was considered to be a high rating. The Housing Options Singles Team (HOST) recently were awarded the bronze award for meeting one of the 10 gold standard challenges set by government, this is discussed later in the paper.
- 4.4 Housing need is historically high in Tower Hamlets. Homelessness and overcrowding are part of the many challenges faced by the borough's residents. The borough has high child poverty, worklessness and health inequalities. Whilst there are pockets of wealth, with the average annual earnings of those working in the borough at £64,000, a high percentage of households are living in income poverty. Tower Hamlets also has amongst the highest rates of child and pensioner poverty nationally, making the borough one of the most deprived areas in the country.
- 4.5 The significant savings the Council will need to make over the next few years is also an important local context. Following government cuts the

Council will need to make around £59 million worth of savings from 2017 to 2020.

- 4.6 Tower Hamlets, already a densely populated borough has a population of 284,000 which is expected to rise to 374,000 by 2026, one of the fastest growing populations in the country. This will place additional pressures on services during a time of further budget cuts.
- 4.7 The aggregated impact of welfare and social housing reform has resulted in increased need and limited affordable housing to meet the borough's growing housing needs. Between 2010/11 and 2014/15, Tower Hamlets has seen 5,590 affordable homes delivered but this number is insufficient to meet the needs of the numbers of homeless households in Tower Hamlets, therefore exacerbating the problem of homelessness.
- 4.8 It is also expected that the Housing and Planning Bill is likely to have an impact on homelessness. The impact of the proposals in the Bill has been discussed within the Housing Options Service and with partners who believe there will be a potential impact on homelessness due to:
 - a) The extension of the Right to Buy for Housing Association tenants and the probability that the relaxing of planning permission and the retention of the sales receipts to fund new builds will not compensate for the reduction in available stock to let;
 - b) The requirement to sell off high value housing stock;
 - c) The introduction of 'flexible tenancies' to a maximum of five years and the restriction of succession to five years only, which could result in either homelessness or a subsequent reliance on the PRS, which in turn Housing Options may need to broker or assist with a financial incentive. There would be a duty on the housing provider to provide advice on options to the tenant;
 - d) The regulation of private sector landlords and in particular the banning of rogue landlords, which is welcome but could have the effect of a reduction of supply in this sector if landlords decide not to enter the PRS market.

5. Key Findings and Recommendations

- 5.1 In May 2012 a homelessness review was undertaken which informed the current Homelessness Statement and Action Plan. The review was undertaken by the Homelessness Partnership Board and was led by the Head of the Housing Options service, supported by a number of internal staff across the Council and local voluntary sector partners. The Homelessness Partnership Board included;

Head of Housing Options Service (LBTH)
Street Population Coordinator (LBTH)
Senior Strategy, Policy & Performance Officer (LBTH)
Strategy, Policy & Performance Officer (LBTH)
Children's, Schools and Families – (LBTH)
Supporting People (LBTH)
Strategic Housing (LBTH)
Crisis
NHS Primary Care Trust
Providence Row
Drug & Alcohol Action Team – (LBTH)

- 5.2 The review included an analysis of the national and local context and its impact on services as well as homelessness trends. Additionally progress against the existing Homelessness Statement was considered.
- 5.3 In July 2013 Cabinet agreed that the Action Plan and outcome measures for the Statement should be finalised by the Homeless Partnership Board. An Action Plan was developed and finalised by the partnership board but was never formally taken to Cabinet for adoption.
- 5.4 The service acknowledged that the Homelessness Partnership that was set up to implement the Homelessness Statement and Action Plan could be improved. There was a lack of ownership and this coincided with the pressures on housing at the time in 2012 to 2013. It was the service's stated objective at the time to focus on meeting housing need and deal with the pressures on homelessness. The service has indicated that it had delivered the main objectives of the Statement. Although the directorate plan did identify a number of milestones, including the adoption of the statement and action plan, to date no monitoring has taken place to gauge the progress made.
- 5.5 The Action Plan was partially implemented. In late 2015 the Housing Strategy team started a review of this and found that in particular those actions related to other services/partners there was no specific lead ownership, as well as issues on the deliverability of some of the actions. A small corporate group has since reviewed the Action Plan and agreed that it needs realignment and to be made as SMART as possible, to ensure all parties know what needs to be done by whom by

when and how the plan will be evaluated. The amended action plan will be taken forward within a revised overall housing strategy in 2016/17. The scrutiny panel was of the view that previous lessons learned in this area should inform upcoming strategy work.

- 5.6 The service is working well with partners on a multi-agency approach to supporting specific groups, such as young people and victims of domestic violence cases. However, it might be argued that partnership working can be strengthened in relation to dealing with the broader issues of homelessness. Whilst overall partnerships and relationships are strong the panel believed that there was scope for further improvements. The last plan was not fit for purpose because it was not comprehensive, not fully owned by the Housing Options Service; and where those areas of the plan that were relatively SMART were delivered; but those areas of the plan that were not SMART remained undelivered.
- 5.7 Homelessness is a complex problem and requires effective partnership working to address it. The service already engages with a wide range of partners and has traditionally done so effectively. What is now needed is a review of those arrangements, and the objectives, so that progress achieved since the last plan was drawn up can be sustained, and the service is in a strong position to respond to new threats and demands.
- 5.8 The balance of partners and internal staff on the previous partnership board was such that it would have been difficult to meet the wider actions; most of the members were Council representatives. Only four out of 12 positions on the Partnership Board were held by partners, including Crisis, the NHS and Providence Row Housing Association. This also demonstrated weaknesses in getting buy in from colleagues in the Council as there were actions related to other parts of the Council which were not delivered. There was a need to identify the key issues and then recruit the right members to deliver on its objectives.
- 5.9 There was a lack of an agreed protocol between partners and what they would be responsible for and where they would share information and work to address homelessness related issues. There was also an identified need to learn from and replicate other successful models in the Council e.g. the Health and Wellbeing Board. There was additionally a need for a partnership group to report and carry out monitoring of plans effectively.
- 5.10 Progress in relation to addressing many of the above improvements have already been made by the service, the report notes the need to fully ensure that this happens in all cases.

Recommendations:

1 – Improvements highlighted in this report in relation to the Homelessness Statement and Action Plan should be incorporated into the new overarching Housing Strategy and to be signed off by the Mayor and Full Council.

2 – Review existing partnership arrangements and objectives on homelessness, and strengthen joint working in order to respond to threats and demands.

- 5.11 The panel had concerns that families were being placed in B&Bs without careful consideration of alternative suitable accommodation. Such placements are detrimental to families, especially those with dependants, with the negative effects including disruption to schooling and ramifications for health. Shelter recently raised concerns in its evidence to the CLG Select Committee on homelessness that in 2016 B&B numbers had increased by a drastic 110% since 2010. Crisis also noted concerns in its report Homelessness Monitor 2016.
- 5.12 The panel wished to emphasise that keeping families with children in B&Bs over the six week period is illegal and that B&B placements should be seen as the last resort. The service in turn has indicated that every avenue is exhausted before placing households in B&Bs, and the panel recognised the considerable improvements that the service had made in reducing the number of people being placed in B&Bs.
- 5.13 The reasons for the increase in B&B placements was due to a number of interrelated factors which include:
- The hugely increased costs of private self-contained accommodation and no commensurate increase in temporary accommodation subsidy or Local Housing Allowance;
 - Insufficient alternative or cheaper sources of supply;
 - Lack of throughput of homeless households to achieve a sustained reduction in the number of homeless households in temporary accommodation.
 - When the Council agreed to subsidise an increase of £30 in rent to Private Licensed Accommodation, supply and retention of accommodation increased. This resulted in an increase in the number of void properties offered for re-let from 10% to 36%.
- 5.14 The panel believes that the quality of hostels and B&Bs used by the Council has improved dramatically over the past 20 years. However, members continue to receive occasional reports of poor quality physical conditions and sometimes poor quality management as well. The panel welcomed officers' assurances on the quality of hostels and B&B used by the Council, but given that vulnerable young children are frequently placed there, the panel believed that there needs to be greater Executive oversight of these premises such as through unannounced visits to B&Bs.

- 5.15 The service in response stated that this is a matter for the Mayor and Members, although recommended that visits are arranged with the Housing Options Service as the service also undertakes unannounced visits and it felt would be best to coordinate this with officers.
- 5.16 There is a requirement on the Council to provide the Government with a P1E return. This includes the numbers of unlawful placements in B&Bs. As part of the Council's commitment to transparency the service has been publishing this data on the Council website. The panel noted that this data was not presented in an accessible format, for instance it was difficult to view and print the P1E document. The service provides the Cabinet Member for housing with weekly updates on B&B numbers suggesting it collects data on these placements. This could be something other members could be provided access to and the service has agreed that it would be straightforward to post the monthly service statistics which cover a range of data on homelessness activity in the Members' Bulletin.

Recommendation

3 - The Mayor and Lead Member should undertake a rolling programme of unannounced visits to all the B&Bs and hostels used as both emergency accommodation for homeless families and single people.

4 - Housing Options Service on a monthly basis publish on Members' Bulletin B&B placements data including the number of unlawful placements.

5 - The P1E return needs to be available in a reader friendly format on the Council website and intranet.

- 5.17 The Council's aim is to house people as close to the borough as possible, and has worked to significantly improve the situation in the last six months, prioritising cases where families have been kept in B&Bs unlawfully.
- 5.18 The service has been struggling to find enough self-contained accommodation (not shared with other people). The buoyant commercial market clearly gives landlords a strong negotiating position in relation to local authorities which has further added to these pressures. This has seen a deteriorating relationship between the service and private landlords, including in some instances, taking properties back through legal action.
- 5.19 The panel is aware that, under the Localism Act 2011, the Council has the power to discharge its duty to a statutory homeless household through the offer of an Assured Shorthold Tenancy in the private rented sector. Following the agreement of the Homelessness Statement in 2013, the Council began to utilise this power later that year. Following representations by Members about the basis on which households

were being chosen to be made this “offer” this practice was suspended. It has not been used since. The panel appreciates the intense pressures the cuts to Housing Benefit subsidy are causing. However, it is not persuaded that it is possible for this power to discharge the main duty through a PRS offer to be utilised without leaving people at serious risk of repeat homelessness.

- 5.20 The panel noted that there are rare occasions where a private rented sector offer (PRSO) will be suitable, and there have been, since the moratorium in November 2014 a small number of voluntary PRSOs and a couple of restricted duty cases where a PRSO is the only legal option. There are occasions when they would be suitable, for instance the offer of right to buy buy-backs in regeneration areas by Poplar Harca on 5-year fixed term tenancies let at local housing allowance level (LHA). The service still has properties offered on LHA following the award of an empty property grant. In most cases these would be offered as preventions, rather than discharge, but there are circumstances when a failure to use the PRSO option means the Council may lose the property – for instance where no household will accept a property as a prevention of homelessness. It could be argued that a refusal to use the power under any circumstances would fetter the Council’s discretion, which would be difficult to justify and probably unlawful given the detailed suitability assessments that are undertaken.
- 5.21 However the service believes that the private rented sector can be a viable option depending on rent levels, length of tenancy, location, and the means of the household. The obligation to ensure an offer is suitable means affordability, sustainability and location would all be considered in advance of an offer being made. To have the option to use private rented sector offers would provide an additional tool to help end the homelessness duty, albeit for much reduced numbers.
- 5.22 The panel was interested in the innovative steps being taken to address the shortfall in temporary accommodation across the country. There was a discussion on the Ycube development in the London Borough of Merton which involved flat packed development of temporary accommodation. It was suggested that it was a potentially cost effective way to ensure the Council was accommodating people with its own temporary accommodation stock that could be designed well.
- 5.23 The service has initiated an options appraisal with the East London Housing Partnership to investigate the possibility of using Modern Method of Construction (MMC) options that may help the Council to meet the demands for temporary accommodation by increasing supply. Other options under consideration include: converting existing Council owned buildings into temporary accommodation; looking at the viability of purchasing property out of borough for conversion to emergency and/or longer term temporary accommodation; and approaching local authorities with high social housing voids outside London to see if any

would be prepared to allow Tower Hamlets to use these as long-term temporary accommodation. A decision on funding any future models will need to be made depending on the option (s) being pursued.

- 5.24 Data from Homeless Link shows that over the calendar year (quarter four of 2014 to quarter three of 2015) the Council was in the top ten authorities for use of temporary accommodation. The panel was interested in being kept informed of how this work would be developed. Lewisham and Barnet Councils have adopted a temporary accommodation plan/strategy which outlines how they intend to meet the demands on temporary accommodation. This will lead to better planning and understanding by the business of how to meet the demand and reconcile with the supply of temporary accommodation available.
- 5.25 The service has taken steps to plan the level of temporary accommodation they need annually based on current assumptions on demand. It has successfully managed to avoid costly and reputational-damaging complaints to the ombudsman and have lost very few S204 Suitability Appeals. This indicates the care with which the stock is being managed in very difficult circumstances.
- 5.26 The panel was conscious that many Tower Hamlets families were “prevented” from becoming homeless over the past decade through the brokering of a tenancy in the private rented sector. The erosion of the value of Local Housing Allowance since 2011 and the £500 a week Benefit Cap mean some of those families are now facing Housing Benefit shortfalls that are difficult to make up, and therefore leave them at risk of accruing rent arrears and facing eviction. However according to the service in these circumstances it is highly unlikely that a finding of intentional homeless would be made. The panel was concerned that some families and vulnerable single people in these circumstances who approach Homeless Services for help again might be found to be intentionally homeless. While the panel appreciate that such households have the right to legally challenge this decision and where children are involved, will be automatically referred to Children’s Services for a section 17 assessment, they were not satisfied these are a sufficient safeguard. The panel therefore believes that there needs to be some further Executive oversight of such decisions, and that details of such cases should be reported to the Mayor and Lead Member.
- 5.27 The panel noted that the number of intentionally homeless decisions has declined, in part due to the main reasons for homelessness changing. If accommodation is not affordable and the reason for loss of last settled home is rent arrears then it is highly unlikely that a finding of intentionality would be made. The number of intentionally homeless decisions is reported quarterly in the P1E returns which are published on the Council’s website.

Recommendation

6 - The Mayor should not authorise officers to discharge main homelessness duty through a PRS offer.

7 - Develop and publicise a plan to meet the demands on temporary accommodation.

8 - Ensure the future strategy on homelessness adopts an approach to limiting the use of bed & breakfast for families.

9 - A summary of all those cases in which a family with children or vulnerable single person has been deemed intentionally homeless should be reported monthly to the Mayor and Lead Member.

- 5.28 More households from Tower Hamlets are being placed out of borough. For example in March 2016, 1092 households were placed in the borough whilst 950 households were placed out of borough. Evidence from the Homeless Monitor for England 2016 suggests that an increase in out of borough placements was “linked closely with the broader displacement effects of welfare reform”.³
- 5.29 The panel noted the need to get the balance right for in borough and out of borough placements, and acknowledges that officers are facing difficult pressures. There is a need to take into account disruption to schooling, family and support networks, health and the distance that families are being placed away from their home borough which the service indicates it does consider these factors.
- 5.30 The service recognised a need to support out of borough placements further. For example, assistance to find and register for schools, finding child care, registering with children’s centres and travel assistance. There was a view that this needed to translate into actions and there was a need to mitigate the impact of moving a family away from their home borough. The service stated that as part of the suitability assessment they take this into consideration.
- 5.31 The panel briefly discussed the implications of the Nzolameso case for Tower Hamlets. The Supreme Court set out how local authorities should address the burden of accounting for their actions in each case: ideally, each local authority should have, and keep up to date, a policy for procuring sufficient units of temporary accommodation to meet the anticipated demand during the coming year. That policy should reflect the authority’s statutory obligations under both the Housing Act 1996 and the Children Act 2004. The policy should be approved by Full Council and, ideally, it should be made publicly available.

³ Crisis, Homeless Monitor for England 2016, page 17.

- 5.32 In response to this judgement the service implemented a procedure for assessing the suitability of temporary accommodation in 2012. This procedure was reviewed in light of Nzolameso and was found to be compliant, although further work on ensuring it is fully implemented in all cases is required.
- 5.33 In trying to meet demand the service initiated an options appraisal which considered various options the Council could utilise to maximise the accommodation available in Tower Hamlets. These options included: converting existing Council buildings for temporary accommodation use, re-commissioning an old hostel to bring it back into use, and exploring the purchase of land with other authorities with a view to building pre fab development of modular housing units for TA use. There has not been consideration of funding needs because the results of the options appraisals on purchase of hostel accommodation and development of modular housing have not yet reported to Members but this will follow.
- 5.34 The Supreme Court also stated that each local authority should have, and keep up to date, a policy for allocating temporary units to individual homeless households. Where there was an anticipated shortfall of “in borough” units, that policy should explain the factors which would be taken into account in offering households those units, the factors which would be taken into account in offering units close to home, and if there was a shortage of such units, the factors which would make it suitable to accommodate a household further away. That policy too should be made publicly available.
- 5.35 In response to this judgement the Council amended an existing policy that was produced in 2012 to comply with this. The policy for determining the suitability of temporary accommodation/private rented sector offers was formally adopted by the Mayor earlier in 2016, it remains to be published. The policy covers out of borough placements as legislated under Part VII of the 1996 Housing Act which deals with the provision of temporary accommodation.
- 5.36 The panel noted the need to provide on-going support to those placed out of borough. Furthermore, given the current subsidy regime, the Council will need to continue to source much of its temporary accommodation out of the borough, and that the management of this portfolio has intense challenges. However, the panel are concerned about the impact of such placements on families who are placed a long way from their children’s schools and their own support networks. The panel believes that those families who have waited longest in temporary accommodation out of borough should be prioritised for a move back to the borough as and when temporary accommodation within the borough becomes available, rather than these properties being allocated to those to whom a duty has been newly-accepted.

- 5.37 It was noted that every homeless household has a designated housing officer. All placements are visited within two weeks of moving in and ongoing support is available and provided where the need arises, from the Family Intervention Project (FIP) and the service's Tenancy Sustainment Team as well as the Housing Officer in the context of their normal housing management duties.
- 5.38 It is suggested that families placed out of borough be prioritised over households in B&B; 90% of all new procurement is out of borough and the HOS only retain 36% of all temporary accommodation voids for re-let (an improvement on the 10% in 2014/15). There is no guarantee that if the Council move a family out of self-contained accommodation out of borough the property would be offered back to the authority for a family to move from a hotel placement. This would substantially increase the risk of legal challenge and will increase the amount of time families spend in B&B.
- 5.39 In the event that the Council has sufficient properties within the borough to accommodate both households in B&B and those accommodated out of borough then the service should prioritise those in nightly paid accommodation as this represents the higher cost to the Council. The Merton placements have been mentioned in many quarters; the households placed there have overwhelmingly expressed satisfaction with the properties which are finished to a high quality, and are readily accessible to the borough via the District Line which is a 10 minute walk from the block. Most households placed out of borough quickly settle in their accommodation.
- 5.40 The in-borough properties are let to households who have a proven need to be in the borough for employment, education, social, health or welfare needs. The Council does not place families out of the borough where this would be unsuitable. The service suggested that to insist that in-borough properties are allocated on the basis of how long a family has been out of the borough will leave the Council open to legal challenge if the service is then unable to place a family that needs to be in the borough.

Recommendations:

10 - Implement a package of support for families placed out of borough in order to help households settle into a new borough.

11 - Ensure that the policy for determining the suitability of temporary accommodation/private rented sector offers is published and publicly available on the Council's internet and intranet site.

12- Explore the potential of prioritising a move back to the borough for homeless families who have been placed out of borough for a long period of time when temporary accommodation becomes available, which is consistent with the Council's legal duties.

- 5.41 The panel recognised some of the leading work the Housing Options service had undertaken and received the details of this positively. For example, the service has undertaken a pilot with Poplar Harca on tenant engagement. It found that one of the main reasons for loss of accommodation leading to potential homelessness problems was rent arrears. The service has been working with Poplar Harca to signpost tenants to the Council who are not engaging in relation to rent arrears. Poplar Harca share information with the Council on those tenants who are in arrears, and both organisations then work together to engage those tenants. Activities have included visiting tenants to address their problems including handling claims.
- 5.42 The service has also found that often there were documentation problems in relation to applying for benefit claims properly. Where a particular case is not straightforward, the service arranges a case conference involving the housing provider and partners. Research from another pilot suggests that often single people with support needs and lack of resilience would actually leave their tenancies rather than go through the route of being evicted, with the prospect of large debts and having to deal with the authority.
- 5.43 The panel believes it would be very useful for the service to share these valuable insights with other registered providers. However, it can be hard to engage some RPs who did find evictions a cost effective method, by putting up rents and securing new tenants. Nonetheless, a good relationship with housing landlords is crucial to preventing homelessness. If the Council is able to give landlords advice and give their tenants advice then it is easier to broker and negotiate residents remaining in their tenancies. Further work will be undertaken through the Common Housing Register Forum.

Recommendation:

13 - Create awareness amongst hard to engage RPs on the implications of evictions, and explore what is required to engage with RPs on evictions, including sharing the analysis with all RPs of tenant engagement work undertaken with Poplar Harca on rent arrears and evictions.

- 5.44 Service managers noted that the Housing Options Singles Team (HOST) had ensured advisors received customer empathy training. This has had good outcomes in terms of meeting customer needs and ensuring that advisors engaged customers; fully understanding the situations they are in. The work of this team was recognised recently, as the team achieved bronze level award from the National Practitioner Support Service (NPS). Further details on the standard are discussed later in this paper.

5.45 The best practice achieved in the HOST team could be shared with other parts of the service more widely. Customer empathy training has not been adopted by the wider service for frontline advice staff. There is expertise and knowledge within the service to provide the training and support. Frontline staff from the HOST team could for example mentor the frontline advice staff in Housing Options. The service recognised the need for training and agreed that it would take these forward in future workforce development planning.

Recommendations:

14 - Explore customer empathy training for relevant front line staff in the wider Housing Options Advice Service.

15 - Consider a mentoring scheme between HOST trained frontline staff and frontline staff in the wider Housing Options Advice Service.

5.46 The Government has developed the National Practitioner Support Service to develop and administer the gold standard framework for providing continuous improvement in front line housing services. The Gold Standard was launched in 2013, as a programme to assist local authorities to improve their homelessness services. Councils begin by making a commitment to continuously improve services, and then undergo a peer review carried out by another local authority. If the Council gets a high score on their review they can then apply for assessment of their service against the 10 challenges.

5.47 The 10 challenges are:

1. To adopt a corporate commitment to prevent homelessness which has buy in across all local authority services.
2. To actively work in partnership with voluntary sector and other local partners to address support, education, employment and training needs.
3. To offer a Housing Options prevention service to all clients including written advice.
4. To adopt a No Second Night Out model or an effective local alternative.
5. To have housing pathways agreed or in development with each key partner and client group that include appropriate accommodation and support.
6. To develop a suitable private rented sector offer for all client groups, including advice and support to both client and landlord.
7. To actively engage in preventing mortgage repossessions including through the Mortgage Rescue Scheme.
8. To have a homelessness strategy which sets out a proactive approach to preventing homelessness, reviewed annually to be responsive to emerging needs.

9. To not place any young person aged 16 or 17 in Bed and Breakfast accommodation.
10. To not place any families in Bed and Breakfast accommodation unless in an emergency and for no longer than 6 weeks.

5.48 The panel is clear that Tower Hamlets runs one of the better housing options services, however it should continue to strive to improve where possible. For example, while the peer review mentioned earlier did give the borough a high rating, it also identified a number of recommendations which have yet to be implemented.

5.49 Some of recommendations outlined in the peer review align broadly with the themes in this report. For instance the reviewing authority (Hackney Council & City of London) noted low level of interactions between the Housing Options Team and private landlords, and the need for policy and planning on alternative accommodation and on supply and demand. They also found that “more information should be provided on types of complaints and enquiries the service receives...presented in a format that can look for trends.”

5.50 The recommendations highlighted in the peer review report could benefit the team in future, and reinforce the principle of continuous improvement.

Recommendations:

16 - Undertake an analysis of the recommendations identified in the diagnostic peer review report and implement those that would benefit the service.

5.51 Whilst a challenge session is a good start to highlighting issues it was felt that this area warranted further in-depth examination, particularly of how the Council hopes to tackle homelessness over the next few years. It may be that a future review also considers how the new housing strategy is working to prevent and meet the needs of homeless residents

5.52 A dedicated Housing Scrutiny Sub-Committee is to be established, and it may be that in year one of its operation, it should consider homelessness as a topic in its work programme.

Recommendation:

17 - A future full scrutiny review looks into homelessness.

Recommendation 1: Improvements highlighted in this report in relation to the Homelessness Statement and Action Plan should be incorporated into the new overarching Housing Strategy to be signed off by the Mayor and Full Council.

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

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

Many aspects of this document are still relevant but over the next 12 months we will consider what other options are available to prevent and meet homelessness demand. The document will be updated to reflect progress over the past 3 years and take into account improvements highlighted in the Overview and Scrutiny Committee (OSC) report. We will engage fully with all partners in 2017 to develop a further 4 year action plan to continue to tackle homelessness. There will be an emphasis on ensuring the most vulnerable and marginalised groups who face homelessness can continue to be assisted, linking their support into their health needs, education and employment opportunities and overall wellbeing.

Actions	Responsible Officer	Date to be completed
Update Homeless Statement and incorporate into Housing Strategy	Martin Ling	30/11/2016
Develop Homelessness action plan with Homelessness partners	Martin Ling	31/03/2017

Recommendation 2: Review existing partnership arrangements and objectives on homelessness, and strengthen joint working in order to respond to threats and demands.

Comments from service: As set out above the Homeless Statement will be updated to reflect progress over the past 3 years and take into account improvements highlighted in the OSC report. We will engage fully with all partners in 2017 to develop a further 4 year action plan to continue to tackle homelessness and this will include reviving the Homelessness Partnership Board.

Action	Responsible Officer	Date to be completed
Update Homelessness Statement and incorporate into Housing Strategy	Martin Ling	30/11/2016
Develop Homelessness action plan with Homelessness partners	Martin Ling	31/03/2017
Set up and agree Terms of Reference of a new Homelessness Partnership Board	Martin Ling	21/03/2017

Recommendation 3: The Mayor and Lead Member should undertake a rolling programme of unannounced visits to all the B&Bs and hostels used as both emergency accommodation for homeless families and single people.

Comments from service: There is no reason in principle why Members should not inspect any of the temporary accommodation (TA) supplied to homeless households. However the properties are not owned by the Council and access to them is generally by agreement with the provider, which would imply visits by prior arrangement rather than unannounced. There is always the risk of entry being refused if unannounced, and, should the proprietor take exception for any reason there is a low risk of refusing future bookings from the Council. The Housing Options Service inspects all hotels before they are used, follows up any complaints about conditions made by residents and undertakes full inspections where there are grounds for concern. The service has ceased using several hotels in recent years because of the failure of proprietors to improve standards. This recommendation was discussed with the Cabinet Member for Housing Management and Performance on 22 August 2016. He agreed this was not a practical recommendation, particularly in light of the fact that the majority of hotels used are out of the borough, and therefore fall within the jurisdiction of the host authorities. It was agreed that officers should ensure they brief the Mayor and the Cabinet Member directly if any incident occurs or issue arises that is likely to have implications for the safety or security of our residents and/or the reputation of the Council.

Action	Responsible Officer	Date to be completed
None		

Recommendation 4: Housing Options Service on a quarterly basis publishes in the Members' Bulletin B&B placements data including the number of unlawful placements.

Comments from service: The Council provides weekly and monthly reports to the Cabinet Members, providing; a breakdown of activity in the Housing Options Service which includes numbers in TA; numbers of placements in and out of borough; numbers in

B&B including number of unlawful placements over 6 weeks. There is no reason in principle why the monthly report could not be included in the Members' Bulletin, and the service would be happy to give a briefing to Members on the monitoring it undertakes and how to interpret the data that is supplied.

Action	Responsible Officer	Date to be completed
D&R SPP to provide data to Democratic Services to be included on the Members' Bulletin	Abidah Kamali	31/09/2016

Recommendation 5: The P1E return needs to be available in a reader friendly format on the Council website

Comments from service: P1E returns have been published on the website by the Business Support Team in Housing Options. Existing and future reports will be reconfigured and re-published in a format which is much more accessible and printer friendly.

Action	Responsible Officer	Date to be completed
P1E reports currently posted on the external site will be reconfigured into a readable and printable format, as will future reports	Jamie Jackson	31/09/2016

Recommendation 6: The Mayor should not authorise officers to discharge the Council's main homelessness duty through a Private Rented Sector offer.

Comments from service: The ability to discharge the homelessness duty by way of a PRSO is a power introduced under the Localism Act 2012. A compulsory PRSO can only be made to families for whom a homelessness duty was accepted after the introduction of the Localism Act in November 2012. The Service implemented the use of PRSOs following the adoption of the Homelessness Statement under the previous administration in 2013. In the period to November 2014 a total of 72 households had a homelessness duty discharged by way of a PRSO; 53 went to households who were unlawfully accommodated in B&B. The remainder went to people who had either been placed out of the borough and needed or wanted to return, or who were in TA within the Borough that was under notice from the landlord. All these offers were to households where the homelessness duty had been accepted since the implementation of the Localism Act, unless they voluntarily accepted the PRSO in preference to being transferred out of the Borough. Only four of these households were made offers outside the borough, at least two of these were 'restricted duty' cases with no recourse to public funds, which were only entitled to receive a private sector offer and could not

afford a property in the Borough.

All properties procured were obtained at the Local Housing Allowance (LHA) rate and were assessed for their suitability for each of the applicants who were offered them, including an assessment of the affordability of the property. They were all let at LHA on a minimum two-year Assured Short-hold tenancy. This included 20 leasehold buy-backs in Carradale House, let at LHA on 5-year assured short-hold tenancies (AST) by Poplar Harca.

Following concerns raised by OSC in late 2014 the service suspended the use of compulsory PRSOs, and since then there have been two voluntary PRSOs where the applicant chose to accept a private sector offer in the borough rather than face several years in temporary accommodation outside Tower Hamlets. Since January 2015 there have been a total of 20 PRS properties accepted by families at risk of homelessness in order to prevent becoming homeless, and 19 single people have similarly accepted PRS properties. The family-sized accommodation could have been used either for families unlawfully accommodated in B&B or where the Council was under threat of legal action from landlords for failing to return their properties. Of course, by using them to prevent homelessness this meant those 20 families did not need to go into B&B in the first place, but the 'prevention' option is voluntary.

The availability of affordable PRS properties has substantially reduced, either for the prevention or relief of homelessness, and has become particularly difficult for family-size accommodation. The Council has received further offers of Poplar Harca buy-backs, which have been let either as non-secure tenancies, or ASTs, but as TA rather than discharging the homelessness duty. Had the Council discharged the homelessness duty on these cases, this would have resulted in a reduction in the number of families listed as being in TA. All PRS properties offered to either prevent homelessness or end the homelessness duty are assessed for their suitability, must be supplied by accredited landlords and must be affordable. For PRSOs this means they must be at or below LHA rate and the household must not be subject to the benefit cap. The Service would not discharge the duty unless an AST is available for a minimum of two years.

It is arguable that refusing to permit the use of PRSOs in circumstances where the Council is struggling to accommodate homeless households lawfully could amount to a fettering of its discretion. While the numbers are low the Service has lost the opportunity to discharge the homelessness duty on around a further 20 homeless households who are in properties owned and managed by a partner registered provider. In addition to those private sector properties offered at LHA rate, including some which the landlord is required to make available for a period of 5 years at LHA rate as a condition of receiving an empty property grant from the Council. Officers would recommend instead reinstating the discretion to utilise PRSOs in light of the requirement to ensure that all offers are

suitable, taking into account affordability, size, condition, location and the fitness of the landlord. <i>This policy decision is being reviewed as part of the Housing Strategy.</i> This matter was discussed with the Lead Member on 22 August who agreed that the PRSO option should be available for use, where appropriate and subject to any offer being suitable as defined by legislation, case law and statutory regulations.		
Action	Responsible Officer	Date to be completed
Policy decision on PRSO to be agreed as part of the new Housing Strategy	Lorraine Douglas/ Martin Ling	30/11/16

Recommendation 7: Develop and publicise a plan to meet the demands on temporary accommodation.		
Comments from service: The Service each year provides an estimate of the number of new properties it requires to meet new demand and replace stock lost as a result of private landlords taking back their properties, or the need to return properties earmarked for regeneration and redevelopment. The Service has also made a number of strategic proposals to increase the Council's own portfolio of TA, consider alternative ways of procuring and managing private sector accommodation and to increase the rate of permanent offers to households in TA in order to reduce reliance on and the cost of TA in the private rented sector; and to prevent an unmanageable increase in numbers of homeless households in TA. The work being undertaken on this issue will be incorporated into the Housing Strategy.		
Actions	Responsible Officer	Date to be completed
Final Temporary Accommodation Strategy to be included as part of the Housing Strategy	Lorraine Douglas	30/11/16

Recommendation 8: Ensure the future strategy on homelessness adopts an approach to limiting the use of bed & breakfast for families.		
Comments from the service: The Service has worked hard to reduce the number of families in B&B and achieving legal compliance on B&B placements remains an overriding priority. There is also work underway to look at improving the throughput of single people from B&B and this will be incorporated into the Housing Strategy.		

Actions	Responsible Officer	Date to be completed
Policy approach to B&B & hostel use to be included in the new Housing Strategy	Lorraine Douglas/Martin Ling	30/11/16
Recommendation 9: A summary of all those cases in which a family with children or vulnerable single person has been deemed intentionally homeless should be reported monthly to the Mayor and Lead Member.		
Comments from the service: This recommendation seems to be predicated on the assumption that those evicted from private rented sector tenancies due to rent arrears will be found to be intentionally homeless (IH). If a tenancy becomes unaffordable, or was not affordable in at the outset and the tenant signed it in good faith unaware that it was unaffordable, then a Council is statute barred from and we do not find them as IH. The Preventing Intentional Homeless Protocol operated internally for those in temporary accommodation has resulted in a marked reduction in IH decisions for this client group. There are data protection issues to be considered where the client has not authorised sensitive personal and financial information to be disclosed to a third party. It is unclear as to the purpose of providing this information and although it could be anonymised it would help to know to what end the information could be used. The additional resources required to do this would impact on service delivery when the proposal under the organisational change is to reduce the number of officers involved in these complex cases. The figures for numbers of households found to be IH are published on the P1E. This recommendation was discussed with the Lead Member on 22 August 2016. It was agreed that there is no need for summaries of IH cases to be provided given the resource implications of so doing, and the lack of clarity of purpose. Data is publicly available on the number of IH decisions issued each quarter; Members are able to seek information regarding this data at any time.		
Action	Responsible Officer	Date to be completed
None		

Recommendation 10: Implement a package of support for families placed out of borough in order to help households settle into a new borough.		
Comments from service: This already happens. The Service provides detailed information on the local area for all out of borough placements. All new placements into TA receive a settling in visit within 2 weeks of their placement. If support needs are identified then the service will allocate the case to a Tenancy Sustainment Officer or the Family Intervention Programme (FIP) team. Where large numbers of placements are made in a single block then on-site support is provided at the point of sign-up and moving in to the address. All are provided with any relevant information about their new homes, and any issues to do with multiple people		

moving away at the same time are addressed.		
Action	Responsible Officer	Date to be completed
The Service already supports residents placed out of borough and will continue to do so.	Lorraine Douglas/Janet Slater	On going
Recommendation 11: Ensure that the policy for Determining the Suitability of Temporary Accommodation/Private Rented Sector Offers is published and publicly available on the Council's website and intranet site.		
Comments from the service: This has now been placed on the website at http://www.towerhamlets.gov.uk/lgnl/housing/housing_options_service/housing_and_homelessness_publi.aspx		
Action	Responsible Officer	Date to be completed
Place the link to the policy on the LBTH external site	Lorraine Douglas	Complete
Recommendation 12: Explore the potential of prioritising a move back to the borough for homeless families who have been placed out of borough for a long period of time when local temporary accommodation becomes available, which is consistent with the Council's legal duties.		
Comments from service: The policy for prioritising households for an offer of an in-borough property is set out in the procedure for allocating temporary accommodation (see previous recommendation). Only around 10% of all properties currently offered to the Council are in the borough and therefore it is necessary to ensure that this resource is used in accordance with the published procedure. 90% of all new placements are now out of the borough, the point is largely moot and in reality the majority of in-borough properties we do get are allocated to families who are already in the borough and occupying properties that are under notice of hand-back or which have been found to be unsuitable, for instance on medical grounds. We have recently had a supply of non-secure and leasehold properties within the borough; the smaller units have primarily gone to families unlawfully accommodated in B&B, while larger family units have been used primarily for transfer cases, all in accordance with the published policy & procedure. Implementation of this policy will have legal implications and could fetter the Council's discretion, request is noted but no action is proposed.		
Action	Responsible Officer	Date to be completed
None		

Recommendation 13: Create awareness amongst hard to engage Registered Providers (RP) on the implications of evictions, and explore what is required to engage with RPs on evictions, including sharing the analysis with all RPs of tenant engagement work undertaken with Poplar Harca on rent arrears and evictions.

Comments from service: It is not this Service's experience that any of the RPs are particularly 'hard to engage'. The Preventing Intentional Homelessness Protocol has been well-received at the Common Housing Register Forum. The pilot with Poplar Harca has identified a number of operational and process issues across this service. The RP and the Housing Benefit Department are all working to resolve for the benefit of all partners and vulnerable tenants. We have found there is a strong appetite among partners to achieve joint working to prevent social housing tenancies breaking down.

Actions	Responsible Officer	Date to be completed
Review and revision of current SLA between RPs and Housing Benefit	Janet Slater/Steve Hill	31/09/2016
Discuss draft SLA at THHF and agree final version	Janet Slater/Steve Hill	31/10/2016
Preventing IH protocol roll out to all RPs	Team Manager LP team	31/03/2017
Full implementation of protocol	Team Manager LP team	31/05/2017
Review of protocol and referrals	Team Manager LP team	30/09/2017

Recommendation 14: Explore customer empathy training for relevant front line staff in the wider Housing Options Advice Service.

Comments from service: As part of the organisational change proposal there will be a programme of training for officers who will be required to undertake additional and/or new duties. This recommendation will be incorporated into this training which is timetabled in the action plan for implementation and embedding for August and September. It is proposed to use Cardboard Citizens (training provider) who's training Housing Options Singles Team (HOST) found useful and innovative.

Action	Responsible Officer	Date to be completed
Training programme for new structure to be drawn up and implemented	Janet Slater/Lorraine Douglas	31/10/2016

Recommendation 15: Consider a mentoring scheme between HOST trained frontline staff and frontline staff in the wider Housing Options Advice Service.

Comments from service: This recommendation follows on from the above. Mentoring is a particular skill which would require

some training of officers in order for this to be effective and the recommendation assumes that there is capacity and capability within HOST to do this. Shadowing has been undertaken as part of PDRs in the past in order that staff working in different areas gain an appreciation of the different challenges and responsibilities within the Service. This had some effect but did not break down the 'silo' effect of working with different client groups and in different teams. The proposed organisational change will address this, in that officers in the generic lead professional team will deal with all clients at first point of contact ensuring a consistent approach to service delivery.

Action	Responsible Officer	Date to be completed
Training programme for new structure to be drawn up and implemented	Janet Slater/Lorraine Douglas	October 2016

Recommendation 16: Undertake an analysis of the recommendations identified in the diagnostic peer review report and implement those that would benefit the service.

Comments from service: This recommendation is incorporated into the Service Manager's PDR and work has already started on this. It will be programmed to include a Steering Group of Team Managers and Team Principals in HOS and an action plan will be drawn up. Negotiations with Facilities Management will also be required to address recommendations regarding a refresh of the reception area.

Action	Responsible Officer	Date to be completed
Analysis of the recommendations	Janet Slater	June 2016
Convene meeting with FM	Janet Slater	June 2016
Convene working group in HOS	Team Manager LP team	October 2016

Recommendation 17: A future full scrutiny review looks into homelessness

Comment from service: The new Housing Scrutiny Sub-Committee has been established this municipal year. The Committee held its work planning session on 27th June 2016 and identified a range of issues that they would like to consider during the current year which includes homelessness and a review of actions to implement the recommendations from this challenge session.

Action	Responsible Officer	Date to be completed
This will carry forward as a recommendation to the 17/18 work programme	Kevin Kewin	31/07/2017
Housing Scrutiny Sub Committee to be provided an update on the progress of the delivery of actions from the homelessness challenge session	Kevin Kewin	31/07/2017

<p>Cabinet</p> <p>6th December 2016</p>	 <p>TOWER HAMLETS</p>
<p>Report of: Aman Dalvi: Corporate Director Development & Renewal</p>	<p>Classification: Unrestricted</p>
<p>LBTH/THH Management Agreement Extension</p>	

Lead Member	Cllr Sirajul Islam
Originating Officer(s)	Mark Baigent: Interim Head of Strategy, Regeneration, Sustainability and Housing Options
Author/s	John Kiwanuka: Housing Client Manager
Wards affected	All
Key Decision?	Yes
Community Plan Theme	Great Place to Live

Executive Summary

Following consent from the Secretary of State for Communities and Local Government (DCLG), under Section 27 of the Housing Act 1985, the Council delegated housing management functions to Tower Hamlets Homes (THH) an Arm's Length Management Organisation (ALMO). The ALMO is a "Company Limited by Guarantee" and wholly owned by the Council. ALMOs were one of four ways of securing the additional funds needed to bring the condition of the housing stock up to a modern standard and to deal with any backlog repairs.

The council delegated housing services to THH for a management fee under the original Management Agreement (MA) for ten years from 7th July 2008, with a break clause after five years. As a result, THH has been responsible for most of the landlord functions previously undertaken by the Council's Housing Department. This includes income collection, tenancy management, estate services, day to day repairs, major works, planned maintenance, leaseholder services, resident participation, customer services, service development and training.

Since its commencement, THH has achieved the two star threshold of performance required to access Government funding. The Council subsequently bid for and secured £108 million grant from the Department for Communities and Local Government (DCLG) needed to bring the condition of the stock up to a modern standard. In addition, service charge debt and the management fee have been reducing year-on-year whilst resident satisfaction has steadily increased. However, the MA between the Council and THH will expire on 7th July 2018 unless it is extended. Therefore, the council is minded to extend its MA with THH. This report seeks Cabinet approval to extend the Council's MA with THH for **two** years to 7th July 2020.

Recommendations:

The Mayor in Cabinet is recommended to:

1. Extend the Council's Management Agreement with Tower Hamlets Homes (THH) for two years to 7th July 2020.

1. REASONS FOR THE DECISIONS

- 1.1 Since 7th July 2008, Tower Hamlets Homes (THH), a 100% council owned organisation has provided the council's housing services under a Management Agreement. The council's Management Agreement with the THH is due to expire on 7th July 2018.

2. ALTERNATIVE OPTIONS

- 2.1 The council can bring THH back in house which some local authorities have done; or tender the service THH currently provides. However, this would require an extensive options appraisal of housing management alternatives; it would also need to mitigate the potential for a decline in performance as staff morale suffers in the transitional period. It would also deplete in-house management capacity at a time when senior management resources in THH are already fully engaged with the THH Transitional Change Programme (see section (6) which the Council fully supports.
- 2.2 The decision of whether to extend the management agreement or to take an alternative approach is highly dependent on the local context. The decision is driven by the wider housing strategy of the borough, the nature of the local housing market and the need for councils to deliver services more efficiently. THH is a key Council partner in mitigating some of the risks to the HRA over the next few years particularly, in relation to the revised rent legislation within the Welfare Reform and Work Act, and policies included in the Housing and Planning Act.

3. DETAILS OF REPORT

- 3.1 Council housing across the country faces massive changes. The major reductions have had an impact. The statutory framework which underpins public housing has also been subject to major change affecting Government's funding and local authority operations. Previous government policy required Local Authorities to undertake a stock options appraisal to develop a strategy by which all their stock could meet the Decent Homes Standard.
- 3.2 As a result, the Council established Tower Hamlets Homes (THH) an Arm's Length Management Organisation (ALMO) following consent from the

Secretary of State for Communities and Local Government (DCLG), under Section 27 of the Housing Act 1985. The Council delegated housing management functions to THH. Although almost half of the Council's historic housing stock has been transferred to housing associations, the Council still owns some 21,488 properties (including around 9,277 leasehold), leaving it with one of the larger housing stocks in London.

- 3.3 Since 7th July 2008, Tower Hamlets Homes (THH), a 100% council owned organisation has provided the council's housing services under a Management Agreement. The council's Management Agreement with the THH is due to expire on 7th July 2018.
- 3.4 The Management Agreement defines the relationship between the Council and THH which sets out the obligations of each party. The key features are as follows:
- the functions to be delegated to and carried out by the ALMO;
 - the standards to which they are to be carried out;
 - arrangements for reporting on and monitoring performance;
 - requirements for involvement of residents in decision making;
 - staff to be transferred under the provisions of the TUPE Regulations;
 - the financial relationship and obligations of each party;
 - arrangements for liaison and consultation between the authority and the ALMO;
 - the ALMO's role in helping to deliver the authority's housing strategy, including taking an active role in the Local Strategic Partnership LSP and Local Area Partnerships LAP's ensuring that the authority, as ALMO shareholder, can achieve its objectives;
 - the length of the agreement which was initially proposed for 10 years, renewable, with;
 - provision for a detailed review after 5 years looking at performance, resident satisfaction, decent homes progress and compliance with all aspects of the management agreement and delivery plan;
 - actions to be taken where there is non-compliance or failure; and
 - arrangements for variation and termination which the Council can do at any time subject to liaison with DCLG.
- 3.5 Under s105 of the Housing Act 1985 local authorities are required to consult with their tenants on any significant change in management arrangements. The DCLG considers a number of scenarios under which tenants should always be consulted and these include:
- transferring management of some or all of the ALMO managed stock;
 - winding up an ALMO during its existing contract;
 - not renewing an ALMO's contract;
 - making substantial changes to the services provided by the ALMO

- 3.6 Additionally, the DCLG considers that there are occasions when it would be good practice to consult with tenants, but such decisions should be made having considered local circumstances:
- extending an ALMO's contract;
 - extending or making changes to an ALMO's remit (i.e. the range of services it delivers and locations covered).
- 3.7 The DCLG recognises the ballot as the preferred mechanism for the majority of authorities in testing their tenants' opinions in respect of changes to management arrangements; it is not a legal requirement. Council tenants were fully involved in the decision to set up THH, both as part of the options appraisal process and the consultation on the ALMO option itself. Although the consultation did not involve a full ballot, the Council was obliged to demonstrate clear support for the ALMO option. On this occasion the council is extending the THH's MA for only two years to 7th July 2020.
- 3.8 Therefore, the scope of the consultation has not been as broad as in the decision to set up THH which required an extended consultation because of the significant change in housing management arrangements at the time. However, a wider consultation with residents on how they view the housing services should be delivered will be conducted before the Management Agreement expires in 2020 (should the extension be agreed).
- 3.9 In line with good practice, the Council consulted with residents through focus groups with tenants and leaseholders. These sought views on current THH performance and established resident priorities for THH to focus on during the period of the extended MA.
- 3.10 The Mayor also wrote to all tenants and leaseholders informing them why he is minded to extend the Council's MA with THH. This was followed by a series of focus group sessions referred to below.

4. FOCUS GROUPS - RESULTS AND ANALYSIS

- 4.1 Officers conducted three focus group sessions on the 3rd, 4th, and 5th of October 2016 to discuss the proposal to extend the MA. The three focus groups comprised of one session with leaseholders, and two sessions with tenants. A total of 34 residents attended across the three sessions. Officers delivered a presentation on the history of THH, the reasons for setting up THH, THH's performance to date, the political and financial environment within which the council operates, and concluded with the Mayor's letter to residents regarding the extension of the MA. Residents were also asked to give their priorities on areas they wished THH to focus on during the remaining term of the MA.
- 4.2 A number of priority areas identified were common across the three groups. Residents, partly as a result of experiences arising from the Decent Homes programme, wanted to know how and where the DH funds were invested. As

a result, residents asked for better contract management on major works schemes with warranties secured and effectively managed.

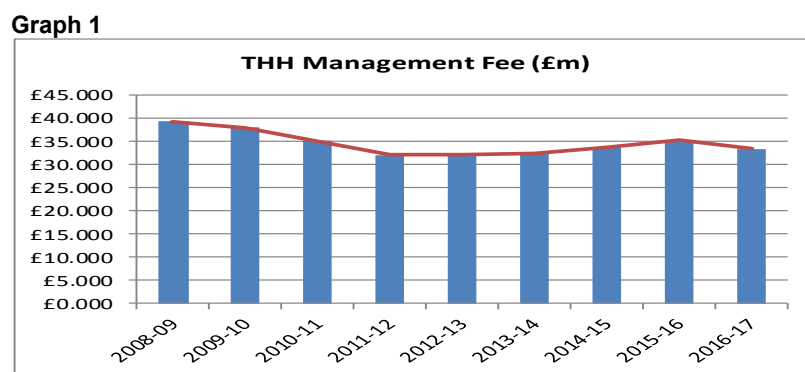
- 4.3 Effective warranty management would prevent repairs due to component failure under warranty being picked up as responsive repairs which residents said were prevalent. Residents also wanted the repairs service to be more robust and efficient, with more clarity on the roles and responsibilities of THH and the repairs contractors.
- 4.4 Furthermore, residents had concerns about accessing services due to inconsistencies in the advice they receive from THH operatives. Residents consistently spoke of the need for THH to institute an effective resident engagement process that is transparent and inclusive.
- 4.5 Management of ASB complaints by THH was also highlighted as a priority, along with better management of sub-letting and absentee landlords. Accountability and transparency also featured highly on the list of residents' priorities, particularly regarding services and communication from THH.
- 4.6 Residents also want THH to be held more accountable for service failures, and for the council to scrutinise THH's performance further, and to engage with residents. Detailed results from the three focus group sessions subdivided into common and multiple priority themes are attached at **appendix 1**.
- 4.7 The council shall address residents' priorities with THH through the governance and monitoring programme.

5. THH's PERFORMANCE MANAGEMENT AND SERVICE IMPROVEMENT

- 5.1 THH was established to access funding towards the cost of improving the stock to the Decent Homes Standard, and to improve management and maintenance standards in order to unlock that funding. THH currently manages 21,488 council homes of which 11,870 are tenanted, 9,277 leasehold, and 341 freehold. The details of the arrangements between the Council and the ALMO for the delivery of the Housing Management service are set out in a Management Agreement.
- 5.2 The housing service run directly by the Council was deemed a poor performer, over a number of years. However, an Audit Commission inspection in November 2010 assessed the housing service provided by THH as a good 'two star' service with promising prospects for improvement. The Council was subsequently awarded £94.5 million towards its Decent Homes works. In addition, subsequent to the successful delivery of the council's decent home backlog programme in 2015, the GLA awarded the council a further £13.27million grant for the remaining backlog non-decency in its stock. THH is a sound organisation, whose performance has led to improvement in housing management services across the board.
- 5.3 THH has delivered Decent Homes improvement works with a value approaching £200 million. Consequently, 13,509 of Council homes comprising

of 10,972 and 2,537 tenanted and leasehold properties respectively have been improved, and 8,329 made decent. Additionally, THH delivered a range of local deliverables ranging from apprenticeships, work experience, to supporting the local economy. The GLA's backlog non-decent target of 10% has been achieved as the backlog non-decency outturn for 2015/16 was 9.11%. However, the gross non-decency including newly arising need for 2015/16 was 13.11%.

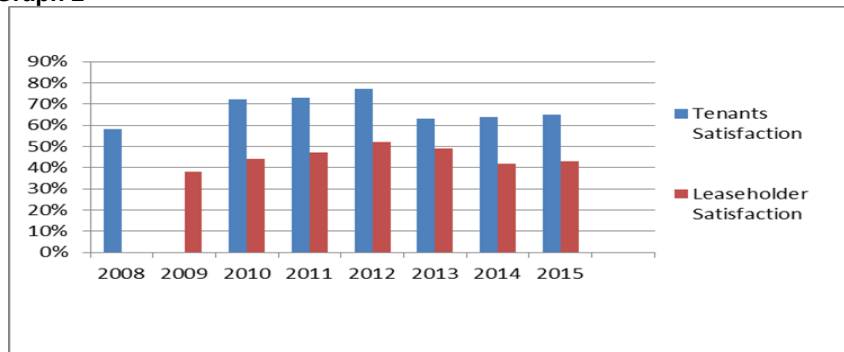
- 5.4 There have been performance improvements in a range of service areas provided by THH, the management fee has been no exception. The fee has reduced from the start of THH as shown in graph 1 below.



- 5.5 THH receives a management fee from the Council for the services it provides managing the housing stock. For the 2016-17 year the fee amounts to £33.376m. THH also purchases services from the Council under Service Level Agreements and the total budget for these services amounted to £6.576m for the current year. THH is responsible for the management of certain Council HRA budgets. These are termed delegated budgets - the total delegated revenue expenditure budget amounted to £24.208m and delegated income budgets total £88.512m. The capital budget for investment in existing Council housing stock amounts to over £50m for 2016-17 and this is also managed by THH.
- 5.6 THH has achieved the savings targets set out in HRA annual budgets and medium term financial plans. For example, as part of the 2016/17 budget cycle, THH delivered gross management fee savings of £2.475m. The refreshed HRA Business Plan and Medium Term Financial Outlook was considered by Cabinet on 26 July 2016 and Cabinet agreed a net HRA revenue savings target of £6m over the period of the medium-term financial plan, and THH will be key to the identification and realisation of those savings.
- 5.7 Service charge debts have also been reducing year-on-year. Although the satisfaction of both tenants and leaseholders with THH's services has been mixed as shown in graph 2 below, it is in the mid quartile for tenant, and top quartile for leaseholders. Leasehold and tenant satisfaction have followed a

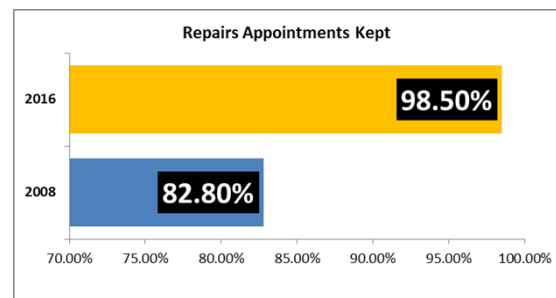
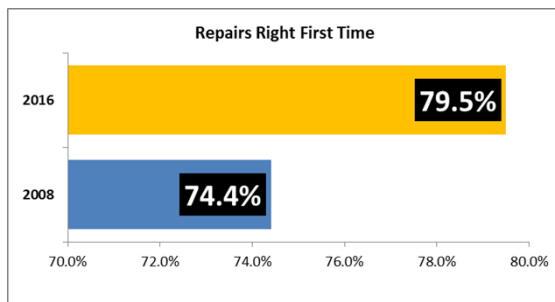
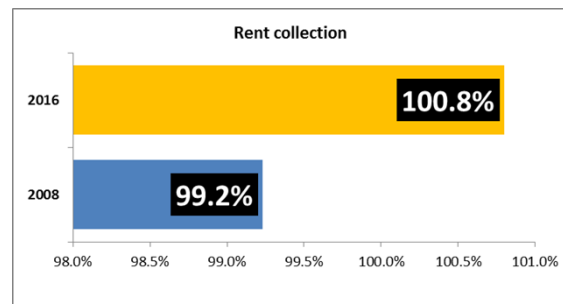
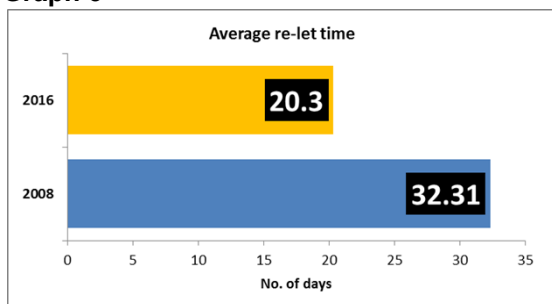
similar trend. The trend was positive from 2008 right to 2012, but tapered off thereafter - more progressively for the leaseholders than the tenants.

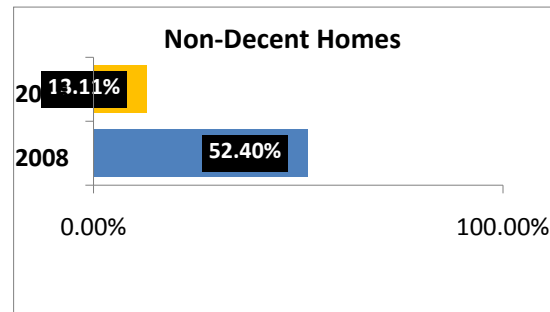
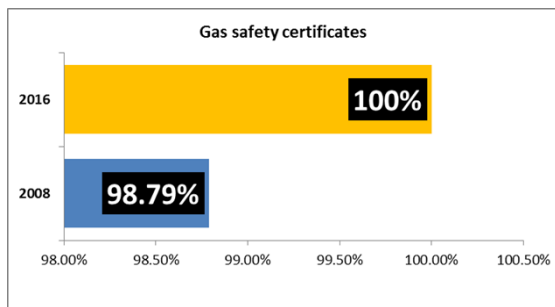
Graph 2



5.8 Overall, housing services have improved since the creation of THH. Repairs first time have averaged 88%, satisfaction with repairs 85%, rent collection 99.6% whilst average re-let times are now 20.3 days - it was 35 days when THH went live. THH is a key council partner in delivering the Council's house-building programme. The comparison is from June 2008 on the eve of the commencement of the ALMO in July 2008 and the current position in August 2016 is shown in graphs 3 below. However, there is always room for improvement.

Graph 3





- 5.9 Therefore, the council together with THH have to work even more efficiently to deliver a quality services to residents given the challenging political and financial environment. Considering that the DHs backlog programme has ended, it is vital for the council through THH to recharge leaseholders for the significant capital investment to their homes to ensure that the already burdened HRA is not pressurised further.
- 5.10 Similarly, the end of the backlog programme will allow the council to make greater utilisation of THH’s capacity, capital programme management, and service delivery expertise in other services to improve delivery of services to residents and investment in their homes. The capacity must be utilised effectively to ensure that THH addresses the resident priorities highlighted in section 4 above.
- 5.11 To this end the new management team at THH has embarked on a comprehensive Transformational Change Programme to further improve services across the range of landlord functions.

6. THH TRANSFORMATIONAL CHANGE PROGRAMME

- 6.1 Work on this project began in early 2016 looking at what residents were telling the ALMO about service shortcomings. The work involves reviewing process and structures and developing a set of principles and guidelines for service review. The key objectives of the transformational agenda are to ensure a cohesive and more responsive organisation. The aim is to transform THH into an organisation whose services are more aligned to the needs of residents and the aspirations of the Council. For example, more focus and resources on the effective management of antisocial behaviour.
- 6.2 Into this change programme was factored the Council’s savings requirement for THH of £6m over five years from the Housing Revenue Account (HRA) in light of the pressures on the HRA from recent social housing legislation and the aspiration of the Council to refurbish and build more Council homes.
- 6.3 This project is designed to conclude in twelve months. The outcome for tenants and leaseholders will be a more accountable and responsive service. This will ensure that more residents’ needs are addressed first time, including repairs and responses from the Housing contact centre. The goal is to have

the overall measured performance in the top quartile across London housing providers by 2020.

7. THE NATIONAL OUTLOOK FOR ALMOs

- 7.1 All local authorities which established ALMOs with ten year management agreements are at the stage where they have either recently or will soon decide the future of the ALMO. Currently there are 41 ALMOs managing just over 570,000 homes which represent around 30% of the total council stock nationally.
- 7.2 With the end of Decent Homes funding, some Councils including Hackney, Lambeth, Newham, Hounslow, and Waltham Forest have taken the decision to bring their housing stock back into the Council's direct control. A number of other authorities have extended their ALMO Management Agreements, typically for a period of five to ten years with some extending by 15 year or 30 years.
- 7.3 These include Barnet, Lewisham, Blackpool, Barnsley, Brent, Derby and Solihull. In addition, some local authorities have established brand new ALMOs including East Kent and Welwyn Hatfield. Cheltenham and Bassetlaw have extended their management agreements for 30 and 15 years respectively. A number of councils have transferred their stock to the ALMO for example Bolton and East Durham.
- 7.4 An increasing number of councils are now seeing their ALMO as a flexible vehicle to deliver a wider range of services to local communities. This includes 30% of ALMOs now managing a total of 1,113 properties in the private rented sector, 36% of ALMOs providing services to tackle joblessness and 55% offering money advice. In total 37 ALMOs have plans to build new homes in 2015 and over the course of the next five years ALMOs were planning to deliver at least 9,000 for their parent council¹.
- 7.5 The decision of whether to extend the management agreement or to take an alternative approach is highly dependent on the local context. The decision is driven by the wider housing strategy of the borough, the nature of the local housing market and the need for councils to deliver services more efficiently.

8. COMMENTS OF THE CHIEF FINANCE OFFICER

- 8.1 This report seeks the approval of the Mayor in Cabinet to extend the council's management agreement with Tower Hamlets Homes (THH) for two years, to 7th July 2020. As outlined in the report, under the terms of the management agreement THH manages the housing stock on behalf of the council and receives a management fee to enable it to carry out these functions.

¹National Federation of ALMOs, <http://www.almos.org.uk/include/getDoc.php?fid=7253&did=6230>

- 8.2 There are no specific financial implications arising from the decision to extend the management agreement by two years. The THH management fee is agreed each year as part of the HRA budget process, and if the decision is taken to extend the management agreement, this process will continue for an additional two years.
- 8.3 At £33.376 million for the 2016/17 financial year, the THH management fee forms the largest single expenditure item within the HRA budget. The 2017/18 management fee will be approved by the Mayor in Cabinet in February 2017. As detailed in paragraph 5.6, the Mayor in Cabinet has agreed a savings target within the HRA of £6 million over the period of the medium-term financial planning period (2017/18 to 2021/22). THH is currently working on a transformational change programme in order to respond to this financial challenge (see section 6), and further details will be reported to Cabinet in due course.
- 8.4 The report recommends a two-year extension to the existing management arrangements, but alternative options for the delivery of housing services are possible – these are outlined in section 2. As stated in the report however, these would require an extensive appraisal of the alternative delivery models that, in the relatively limited time available, could impact upon the delivery of the existing THH Transitional Change Programme and the ability to realise the required level of savings.
- 8.5 All costs involved in the consultation process in relation to the extension of the management agreement have been met from within existing Housing Revenue Account budgets.

9. LEGAL COMMENTS

- 9.1 The Council has various statutory functions and obligations in respect of the provision of housing and associated services.
- 9.2 The Council is obligated under Section 3 of the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness. This is the Council's Best Value Duty. The Council must ensure that the provision of the services by its ALMO meets this duty.
- 9.3 Under section 111 of the Local Government Act 1972 the Council also has the power to do anything incidental to the exercising of any of its functions. Entering into a contract for the performance of a part of its function is incidental to that function. Therefore, in the performance of any of its Housing functions the Council has the power to enter into any contract for the delivery of services relating to that function.
- 9.4 The Council is required either by the application of the Public Contracts Regulations 2015 or the Concession Contracts Regulations 2016 to apply a

competitive tendering process to its purchases of services. Also, where both sets of regulations do not apply to the purchase (usually due to the value being below the prescribed threshold) the Council must still comply with its general duties of fairness, openness and non-discrimination imparted by the Treaty For The Operation Of The European Union. Tendering is also a common way of showing compliance with the Best Value Obligation.

9.5 Therefore, it is usual that the Council cannot elect to purchase services from one supplier without competition. However, Regulation 12 of the Public Contracts Regulations 2015 provides an exception. This is where the Council purchases services from an organisation where:

9.5.1 the Council exercises over that organisation a control which is similar to that which it exercises over its own departments; and

9.5.2 more than 80% of the activities of that organisation are carried out in the performance of tasks entrusted to it by the Council; and

9.5.3 there is no direct private capital participation in the organisation

9.6 Therefore, provided that the conditions detailed above are fulfilled (and this appears to be the case) then the Council may purchase further services from Tower Hamlets Homes. From a legal perspective, whether the further services are purchased via an extension to the existing contract (whether or not the extension was included in the original agreement) or by entering into a new contract with Tower Hamlets Homes has no impact.

9.7 In accordance with section 105 of the Housing Act 1985, the Council has a duty to consult secure tenants who are likely to be substantially affected by any matters of housing management. For the purposes of this section, a matter is one of housing management if in the opinion of the authority, it relates to (a) the management, maintenance, improvement or demolition of dwelling houses let by the authority under secure tenancies, or (b) the provision of services or amenities in connection with such dwelling-houses. The extension of the ALMO management agreement would be considered to be a matter of housing management upon which secure tenants should as a matter of good practice (in line with guidance from the Department of Communities and Local Government) be consulted upon. As set out at section 4 of the report, the Council has consulted with all secure tenants and invited their comments on the decision to extend the ALMO agreement. This consultation fulfils the Council's statutory duty under section 105 of the Housing Act 1985.

9.8 It is likely that an extension to the existing arrangement on similar terms will have no impact with respect to the Council's Duties under the Equality Act 2010. However, it would be prudent to ensure that the Council can demonstrate that it has considered this issue and to take any other steps it considers reasonable to understand whether or not there are impacts on people with "protected Characteristics" as defined by the legislation

10. ONE TOWER HAMLETS CONSIDERATIONS

- 10.1 Equalities Impact Assessment (EIA) has been considered and there are no specific equalities implications arising from this report. The two year extension of the council's MA with THH will have no impact on the Council's Duties under the Equality Act 2010. Following the decision services to residents will remain the same as before. It is the council's duty to ensure that THH deliver efficient and effective services; accessible to all; and meets different people's needs. Officers conducted three focus groups sessions on the 3rd, 4th, and 5th of October 2016 to discuss the proposal to extend the MA. Residents were asked to give their priorities on areas they wished THH to focus on during the remaining term of the MA – appended at appendix1. Resident will be consulted more extensively, and an Equalities Impact Assessment (EIA) undertaken, when the term of the MA expires in July 2020.

11. BEST VALUE (BV) IMPLICATIONS

- 11.1 For THH to deliver successfully it will need to be run effectively and managed robustly by its own staff, with appropriate client managing by council officers. HRA business plan savings have been identified as part of the council's budget setting process and THH will be responsible for delivering £6m of the HRA's savings over a four year period. THH should provide a value-for-money solution, by reducing management costs over time and enhancing performance in key areas such capital programme delivery, and contract management. THH's has already embarked on transforming its services under the transformational agenda.

12. SUSTAINABLE ACTION FOR A GREENER ENVIRONMENT

- 12.1 There are no specific greener environment implications arising from this report.

13. RISK MANAGEMENT IMPLICATIONS

- 13.1 It will be noted that the costs involved in a decision to continue the existing arrangements would be minimal. A decision to revert to in house management would involve costs associated with the reorganisation of the service and possible redundancies. A decision to transfer the stock to a new landlord would have potentially significant financial implications for the Council, which would need to be thoroughly evaluated before a decision was made.

14. CRIME AND DISORDER REDUCTION IMPLICATIONS

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

15. SAFEGUARDING IMPLICATIONS

15.1 There are no specific safeguarding implications arising from this report.

Linked Reports, Appendices and Background Documents

Linked Report

- State NONE if none. NONE

Appendices

- Appendix 1 Results and analysis of the focus groups

Background Documents – There are no background documents to this report.

Officer contact details for documents: John Kiwanuka x2616

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Appendix 1

Resident Priority Themes

<u>Common Resident Priority Themes</u>	<u>Multiple Resident Priority Themes</u>	
Session 1-3 from 3 rd -5 th October: Leaseholders & tenants	Session 1-3 from 3 rd -5 th October: Leaseholders	Session 1-3 from 3 rd -5 th October: Tenants
Effective Communication with THH on service delivery	Admission on the part of THH that the DH programme delivered went wrong	Improved signage of estates with THH clearly documented
Effective resident engagement process	Dispute resolution to include arbitration	All residents to receive detailed repair costs for their blocks including repetitive repairs. Resident want a more stable workforce at THH rather than relying on consultants
More LBTH Scrutiny of THH service delivery	Policy details required on communal heating systems & call centre staff to be trained in handling communal heating system repairs	Transparency behind satisfaction figures
THH to be held accountable on failures & to rectify	Continue to improve the leaseholder extended payment options	Notice bulletin boards must be available on each estate and be updated regularly
Overall dissatisfaction with the DH programme – wanting better contract/contractor management & longer warranties of major works	To be able to appoint a professional to validate and inspect works and clarify who will foot the bill	Notice bulletin boards must be available on each estate and be updated regularly
LBTH & THH to have better management of sub-letting and absentee landlords	External DH works remains outstanding in some estates despite THH promises	THH to arrange regular annual resident conferences – last conference was 4 years ago
Transparency of grant and funding expenditure and services available for residents	Detailed information on how and where the £200m DH funds were invested	Council to be held accountable on how they manage THH

Improved dealings & processes of ASB complaints by THH	Caretaking failures are not reflected in the service charge bills	Quality of horticulture to be consistent throughout every estate managed by THH
Repairs services by THH & Mears to be more robust and efficient with clear responsibilities and roles	Admission on the part of THH that the DH programme delivered went wrong	Details of all contracts which have lapsed to be provided by THH for residents to access
Complaints management system to be more effective and efficient	Dispute resolution to include arbitration	THH to provide creative solutions where they are unable to process a query
Simplify customer access options keeping the elderly in mind	Policy details required on communal heating systems & call centre staff to be trained in handling communal heating system repairs	THH to ensure all estates to receive the same agreed quality service
THH change/transformation agenda must have clear objectives & measurable outcomes	Continue to improve the leaseholder extended payment options	Ethical contractor issues – Council needs to understand and be aware of sub-contractor & long term contract appointments and their effects
THH must be a learning organisation	To be able to appoint a professional to validate and inspect works and clarify who will foot the bill	All planned maintenance details to be communicated regularly to residents; and LBTH to carry out regular estate walkabouts with residents

<p>Cabinet</p> <p>6th December 2016</p>	 <p>TOWER HAMLETS</p>
<p>Report of: Aman Dalvi, Corporate Director, Development and Renewal</p>	<p>Classification: [Unrestricted]</p>
<p>Revised Character Appraisals and Management Guidelines for Driffield Road and Medway Conservation Area</p>	

Lead Member	Mayor
Originating Officer(s)	Sripriya Sudhakar, Team Leader- Place Shaping Team
Wards affected	Bow East
Key Decision?	Yes
Community Plan Theme	A Great Place to Live

Executive Summary

This report follows from the Overview and Scrutiny Challenge Session on *Planning in Conservation Areas: The implications of Conservation Areas on the extension of family homes* which went to Overview and Scrutiny Committee (OSC) in January 2015. Six recommendations were identified and agreed by the Cabinet on the 8th April 2015. This report presents progress made with regard to recommendation 3 which was to individually refresh the Conservation Area Character Appraisal and Management Plans for eight Conservation Areas with family dwelling houses where householders submit the most planning applications.

Of the eight areas, Addendums for Chapel House, Fairfield Road, Jesus Hospital, Tredegar Square, Victoria Park and York Square Conservation Areas were adopted by Cabinet on 26th July 2016. Officers were subsequently asked to consider as part of this process the possibility of the Council taking a more flexible approach to roof extensions within the other two areas – Driffield Road and Medway Conservation Areas. This report relates to the further detailed review of and guidance for the Driffield Road and Medway Conservation Areas, in the form of revised Character Appraisals and Management Plans.

A detailed assessment of the impact of a more flexible approach to mansard roofs upon the character and appearance of the two Conservation Areas and the potential public benefits associated with such works, as required by the National Planning Policy Framework (NPPF) has been prepared alongside the refreshed appraisals and management plans for the two conservation areas to assess the suitability of the proposals. The Assessment Report (Appendix 5) highlights the significant harmful impact of the proposals on the two Conservation Areas in the short and medium term and concludes that the public benefits associated with the proposals may be given only limited weight and they do not outweigh the harm identified.

Officers' recommendation is that the Council does not pursue a permissive approach

to mansard roof extensions in the two conservation areas because of the resulting harm but that the Council should adopt the Conservation Area Appraisals and Management Guidelines with the detailed design guidance prepared in respect of the mansard roof extensions removed.

Recommendations:

The Mayor in Cabinet is recommended to:

1. Note that:
 - The Assessment Report highlights significant harm arising out of the proposals in respect of mansard roofs in the short and medium term and potentially in the long term.
 - Officers' recommendation is to not proceed with these proposals based on the findings from the Assessment Report.
2. Support officers' recommendation to not proceed with the proposals in respect of mansard roofs due to the harmful impact on the character and appearance of the Conservation Areas.
3. Agree that:
 - the detailed design guidance prepared in respect of the mansard roof extensions be removed from the Revised Character Appraisal and Management Guidelines attached as Appendix 2;
 - the Revised Character Appraisals and Management Guidelines for Driffield Road and Medway Conservation Areas (attached as Appendix 2) be adopted without the mansard roof guidance; and
 - the revised Character Appraisals and Management Guidelines will replace the existing Character Appraisals and Management Guidelines for Driffield Road and Medway Conservation Areas.

1. REASONS FOR THE DECISIONS

- 1.1 This report follows from the Overview and Scrutiny Challenge Session on *Planning in Conservation Areas: The implications of Conservation Areas on the extension of family homes* which went to Overview and Scrutiny Committee (OSC) in January 2015. The Challenge session identified six recommendations that were agreed by the Overview and Scrutiny Committee (OSC) and Cabinet (The Action Plan setting out the various recommendation is set out in **Appendix 1**).
- 1.2 **Recommendation 3** was to individually refresh the Conservation Area Character Appraisal and Management Documents for the eight Conservation Areas with a predominantly residential character where householders submit the most planning applications, and pressure to provide increased family accommodation is greatest. The eight areas concerned were Chapel House, Driffield Road, Fairfield Road, Jesus Hospital Estate, Medway, Tredegar

Square, Victoria Park and York Square Conservation Areas. The actions required included:

- Appraising properties within each Conservation Area and categorising them according to their suitability for extensions;
- Identifying criteria where it would be possible to build additional roof storeys and back extensions and possible restrictions;
- Detailed technical notes for repairs and restoration work and for extensions, backed up by photo visuals to avoid ambiguity.

- 1.3 Of the eight areas, Addendums for Chapel House, Fairfield Road, Jesus Hospital, Tredegar Square, Victoria Park and York Square Conservation Areas were adopted by the Mayor in Cabinet on 26th July 2016. The proposals in the Addendums, recommended by officers, identified locations for roof extensions without causing harm to the Conservation Areas. As part of the adoption process officers were asked to consider the possibility of the Council taking an even more flexible approach to roof extensions within the other two areas - Driffield Road and Medway Conservation Areas.
- 1.4 Heritage and design consultants were appointed to explore further opportunities for roof extensions in Driffield Road and Medway Conservation Areas, looking at the most sympathetic form that a roof extension might take. A review of existing Character Appraisal and Management Guidelines for the two Conservation Areas were carried out by the project team. The revised Character Appraisals acknowledge the key positive characteristics, while maintaining the overall structure of the report. The report identifies threats, pressures and opportunities for the Conservation Areas. The revised Management Guidelines provide more guidance on how to implement the opportunities for enhancement and manage development. The Management Guidelines considers how to manage change in the Conservation Area in the short, medium, and long term. It also includes draft prototype designs for mansard roof extensions in the Conservation Areas. For continuity and ease, the Management Guidelines is integrated into the same document as the Character Appraisal for each Conservation Area. The proposals were subject to an inclusive public consultation between 25th July – 11th Sept 2016. Officers reviewed all the consultation responses and prepared a detailed assessment of the significance of the impact of a more flexible approach to mansard roofs upon the character and appearance of the two Conservation Areas and the potential public benefits associated with such works in the Assessment Report (Appendix 5).
- 1.5 The Assessment Report highlights the significant and potentially harmful impact of the proposals on the Driffield Road and Medway Conservation Areas in the short and medium term and long term and concludes that the public benefits associated with the proposals may be given only limited weight and do not outweigh the harm identified, particularly in the short to medium term.
- 1.6 In order to inform the decision making process, officers have sought legal advice from Counsel about the lawfulness of taking such a permissive approach whilst acknowledging the potentially harmful impact on the two

Conservation Areas in the short and medium term. Counsel advice acknowledges officers' recommendation to not progress with a permissive approach to mansard roof extensions in the absence of significant public benefits associated with the proposals to mitigate harm to the two conservation areas. A summary of this feedback is set out in the body of this report and also in Section 2.

- 1.7 This report sets out officers' recommendation to not proceed with the proposals due to their impact on the character and appearance of the two Conservation Areas.

2. ALTERNATIVE OPTIONS

- 2.1 As set out in the body of this report and detailed in the Assessment Report (Appendix 5), a more permissive approach to mansard roof extensions will cause harm to the character and appearance of the Driffield Road and Medway Conservation Areas. Public benefits associated with such a permissive approach are largely personal and not public and this is identified in the Counsel advice. Officers' recommendation is to not pursue a more permissive approach to mansard roof extensions as this will compromise the Council's statutory duty to preserve and enhance the character and appearance of the two Conservation Areas. If the Mayor agrees with the officer recommendation and decides not to take forward the proposals having regard to the significant and harmful impacts on the two Conservation Areas, then the proposals as prepared will be withdrawn and the detailed design guidance prepared for the mansard roof extensions will be removed from the Character Appraisal and Management Plan document. The revised appraisals without the mansard roof guidelines are still recommended for adoption. Roof extensions will then be determined on a case by case basis based on existing local plan policies.

- 2.2 Should the Mayor and Members decide to pursue a more permissive approach to mansard roof extensions in these two areas, officers have identified options for consideration. The options set out below have been informed by independent Counsel advice. Officers have also taken legal advice from the Council's Legal Team in formulating these options.

Option 1 –'Packaged Approach': Increasing the level of quantifiable public benefit to help mitigate harm

- 2.3 One option available for taking a more permissive approach is to mitigate the level of harm identified in this report and in the Assessment Report (Appendix 5). To help mitigate the level of harm to the Driffield Road and Medway Conservation Areas, the level of public benefit secured through a permissive approach to mansard roof extensions would need to be increased substantially. One way in which this might be achieved is to introduce a package of measures to secure such benefits as part of a planning application for mansard roof extensions. This approach is referred to as a '*packaged approach*' to mansard roof extensions in the two Conservation Areas.

- 2.4 It is proposed that such a *packaged approach* to mansard roof extensions would comprise of a planning application for mansard roof extensions which includes other improvements to the appearance of the dwelling, along with other contributions to mitigate the harm identified in the Assessment Report secured through the planning application and through an accompanying legal agreement. Together this would include:
- *Enhancement works*: Works to address issues arising in respect of the dwellings concerned including reinstating cornices, redoing brick work, reinstalling timber sash windows etc. Works will be specific to the property / application site.
 - *Limited off-site contributions*: This would include financial contributions for improving the character and appearance of the relevant conservation area within which the application site is situated and to contribute to monitoring of the conservation area.
- 2.5 The revised Character Appraisals and Management Guidelines for the Driffield Road and Medway Conservation Areas (Appendix 2) identify opportunities for enhancement within the two areas and these include - works to enhance the facade brick work, the repair and reinstatement of railings, the restoration of cornices and works to improve the public realm. A packaged approach will focus on guidance supporting the approval and development of mansards as part of a package with (a) works to address issues arising in respect of the dwelling concerned (and its current contribution to the character and appearance of the conservation area concerned) and (b) some limited off-site contributions. Such an approach would allow the Council to mitigate harm to some degree. Enhancement works would thus be expected to form part of the planning application. For example, an application for a mansard roof may include reinstatement of the parapet cornice.
- 2.6 In terms of the off-site contribution, financial contributions may be secured through a legal agreement proportionate to the increased floor area of the planning application towards public realm enhancement in the conservation area. This for example could contribute towards improving the streetscape, street lighting etc.
- 2.7 In order for the 'packaged approach' to be effective, the mechanism for securing such enhancement works and off-site contributions needs to be secured in advance of applications for mansard roof extensions coming forward in the Driffield Road and Medway Conservation Areas. The 'packaged approach' did not form part of the original consultation when the proposals were presented to residents in summer 2016 and therefore further work would need to be undertaken to establish the mechanism and process for implementing a 'packaged approach'. This should be subject to re-consultation with residents.
- 2.8 The 'packaged approach' raises financial implications, along with other considerations for applicants. It is considered important that the implications are clearly identified, and the public are consulted in advance of such

proposals coming into force in order to hear their views and to ensure that the Council is not subject to any future challenge. Officers therefore recommend a 6 week consultation period to be undertaken. Public consultation will focus on the proposed 'packaged approach' to seek feedback on the proposed approach to mitigate a degree of harm through the necessary 'enhancement works' and 'financial obligations'.

- 2.9 The consultation will also provide an opportunity to identify how to streamline applications for consideration - for example: how applicants will know what specific 'enhancement works' will need to be identified in the submission; what level of financial contribution will be expected from applicants will be identified and will be set out clearly such as £ per sqm. This is important for transparency and clarity for everyone involved.
- 2.10 The consultation will also provide an opportunity for local people in the Driffield Road and Medway Conservation Areas to identify priority public realm projects in their area towards which contributions could be secured and a timescale for their implementation and monitoring can be agreed.
- 2.11 Sections 2.1 - 2.10 above are essential in establishing how public benefits in the area can be augmented and how they can serve as a useful tool when assessing planning applications for roof extensions in the two Conservation Areas. It is important to note that should an application for a mansard roof be submitted in the absence of the above mentioned packaged approach (i.e. prior to the Council carrying out further work and adopting guidance on this) the application will be assessed on a case by case basis against existing local plan policies.
- 2.12 Officers would like to bring to Members' attention the timescales for adopting such a 'packaged approach' to mansard roof extensions. It is important to note that there are two options for progressing such a packaged approach. These are set out in detail in Appendix 9.
- Option 1a is an **integrated approach** that involves further work to establish a mechanism to secure a package of contributions and undertaking public consultation with a view to taking a decision whether or not to adopt in June 2017. In this approach, the principle of mansard roof extensions in Driffield Road and Medway Conservation Areas could be considered and a decision taken whether to adopt the revised documents alongside the relevant measures for mitigating harm as one single 'package' by Cabinet in June 2017.
 - Option 1b is a **two-pronged approach** that involves approving the principle of mansard roof extensions at the 6th December 2016 Cabinet whilst acknowledging the need to undertake further work to establish the mechanism for securing additional public benefits and the adoption of a package of measures by Cabinet in July 2017 if they are deemed acceptable at that time. In this approach, principle of mansard roof extension will be agreed at December Cabinet. Additional work will involve establishing a mechanism to secure a package of contributions

and undertaking public consultation and adoption in July 2017. It is important to note that until mitigation measures are adopted, applications for mansard roof extension will be determined on the basis of existing planning policy.

- 2.13 It should be noted that whilst this approach will help to mitigate the level of harm to the Driffield Road and Medway Conservation Areas to some degree, harm will still result under this approach.

Option 2 – Accept Harm

2.14 This option involves Cabinet considering officers' advice and reaching a conclusion about the level of harm that they have assessed would be suffered as a result of a decision to take a more permissive approach, and, subject to the below, accepting this level of harm because they believe there will be significant public benefits. In taking a decision to accept harm to the Driffield Road and Medway Conservation Areas members are entitled to consider the public benefits that would be secured, however, in the determination of applications for development in Conservation Areas or in the exercise of any functions under the planning Acts (including in taking decisions in relation to conservation areas), statute specifically requires the Council to pay special attention to '*the desirability of preserving or enhancing the character or appearance of that area*'. As a statutory obligation this requirement to preserve or enhance the character or appearance of the conservation areas must be given considerable importance and weight when balancing the harm against any public benefits, and it is not enough to simply ask whether the benefits of the policy outweigh the harm. Providing members have paid special attention to the desirability of avoiding that harm and have acted lawfully in all other respects (see the Legal Comments in Section 5 of this report), Cabinet are entitled as a matter of law to take decisions that would result in harm in this context.

2.15 It is considered that the content of this report and accompanying appendices details how the Council has paid special attention to this consideration and has acted lawfully.

2.16 This approach is not recommended by officers for reasons set out in Section 3 paragraphs 3.30 to 3.55.

3. DETAILS OF REPORT

Overview and Scrutiny Challenge Session Nov 2014

3.1 In November 2014 an Overview and Scrutiny Challenge Session was held to address a concern amongst some residents, that the planning constraints in conservation areas were adversely affecting the ability of homeowners to remain in the Borough as their families grow. The perception from residents was that additional planning controls over extending properties within conservation areas were too restrictive. This issue was of particular concern to residents living within the Driffield Road and Medway Conservation Areas, but it was felt to be appropriate to look at those conservation areas which

were predominantly residential in character and which received large numbers of householder planning applications.

- 3.2 The Challenge Session looked to explore what changes to planning policy, practice or procedures could be made to address these concerns whilst still protecting the special character of these conservation areas.
- 3.3 Following the session a report was prepared outlining an action plan, identifying six recommendations, that was agreed by OSC and by the Cabinet on the 8th April 2015 (Appendix 1).

Actions arising from the Overview and Scrutiny Challenge Session

- 3.4 Following the adoption of the Action Plan in April 2015, officers analysed the eight Conservation Areas where householders submit the most planning applications to identify locations suitable for roof and rear extensions. They also undertook a review of Conservation Area Character Appraisals and how extensions were handled in other local authorities in Central London Boroughs.
- 3.5 Section 72 of the Planning (Listed Buildings and Conservation Areas) Act 1990 requires that with respect to any buildings or other land in a Conservation Area, in taking decisions on planning applications the decision maker must pay special attention to the desirability of preserving or enhancing the character or appearance of that area. Case law suggests that whilst an assessment of the degree of harm is a matter for planning judgment, once a decision maker considering a proposal finds that it would result in harm to a Conservation Area it must give considerable weight to the desirability of avoiding that harm, and it is not enough to ask whether the benefits of a development outweigh the harm.
- 3.6 Officers carried out an extensive review of the eight Conservation Areas, including a detailed analysis of all properties and their appropriateness for roof and rear extensions as set out in Recommendation 3 of the action plan. This enabled the identification of a set of criteria for roof and rear extensions that would enable family home extensions whilst ensuring that the proposals would be in keeping with the Council's statutory duty to preserve and enhance the character and appearance of the Conservation Area.
- 3.7 Officers prepared draft guidance covering extensions to the roof and to the rear of residential properties, in the form of an addendum to the existing guidance for eight of its conservation areas- Chapel House, Driffield Road, Fairfield Road, Jesus Hospital Estate, Medway, Tredegar Square, Victoria Park, and York Square conservation areas.
- 3.8 The resulting Addendums provided more flexibility for rear extensions than for roof extensions to balance the possible impacts on the conservation areas whilst allowing more flexibility for family home extensions. Supporting this guidance the Council also prepared a draft guidance note for mansard roof extensions in conservation areas, setting out elements of good practice.

First Round of Public Consultation–23rd Nov 2015- 18th Jan 2016 – Addendums without causing harm

- 3.9 The Addendums and Mansard Roof Guidance Note documents were the subject of a consultation between the 23 November 2015 and the 18 January 2016. During this period six public consultation sessions were held that provided an opportunity for local residents and stakeholders to discuss the proposals with officers and provide feedback.
- 3.10 The proposals tabled for public consultation did not cause harm to the character and appearance of the conservation areas as the locations identified for roof and rear extensions were carefully chosen to avoid harm.

Outcome of Public Consultation

- 3.11 Following public consultation, officers reviewed all the consultation responses and presented the findings to the Mayor for his consideration. The Mayor, after carefully considering the consultation feedback and other material considerations set out by officers in various briefing notes, reached the view that officers should:
- Progress with the adoption of the Addendums for the six conservation areas (Chapel House, Fairfield Road, Jesus Hospital, Tredegar Square, Victoria Park, and York Square Conservation Areas as prepared by officers).
 - Undertake detailed design work to explore further the opportunities for a more permissive approach to mansard roof extensions for family houses in the Driffield Road and Medway Conservation Areas
- 3.12 The Addendums for six conservation areas - Chapel House, Fairfield Road, Jesus Hospital Estate, Tredegar Square, Victoria Park, and York Square conservation areas - were recommended by officers for adoption, as the locations for roof and rear extensions identified in the Addendums did not cause harm to the character and appearance of the conservation areas under consideration. The Addendums balanced the need for family home extension in the six areas whilst maintaining Councils statutory duty to preserve and enhance the character and appearance of the conservation areas.
- 3.13 The Addendums for Chapel House, Fairfield Road, Jesus Hospital Estate, Tredegar Square, Victoria Park, and York Square conservation areas were adopted by the Cabinet on 26th July 2016. The Cabinet Report relating to the adoption of the six Addendums and the recommendation to undertake further detailed design work for Driffield Road and Medway Conservation Areas can be viewed on the Council's website can be viewed on the Council's website. http://www.towerhamlets.gov.uk/Documents/Planning-and-building-control/Development-control/Conservation-areas/Cabinet_Addendums_to_six_Conservation_Areas.pdf
- 3.14 As part of that Cabinet adoption process, it was noted that further research would be undertaken to fully explore the potential for extensions for family homes in Driffield Road and Medway Conservation areas, with a particular focus on the possibility of roof extensions.

Detailed Design Guidance - Driffield Road and Medway – a more permissive approach to mansard roof extensions

- 3.15 A design brief was prepared and tenders were invited from heritage and architectural consultants to undertake further detailed design guidance to explore opportunities for mansard roof extensions in Driffield Road and Medway Conservation Areas. Kennedy O’Callaghan Architects and Alan Baxter Associates successfully tendered for the project and were appointed in May 2016.
- 3.16 Officers worked with the consultants to revise the existing character appraisals and management guidelines for Driffield Road and Medway Conservation Areas. This has drawn on officer’s knowledge of the Conservation Areas and Alan Baxter’s experience of assessing conservation areas and producing character appraisals and audits. Kennedy O’Callaghan have considerable practical experience in conservation projects, undertaking alterations and repairs to listed buildings and buildings in Conservation Areas and provided valuable technical design advice. The consultants brief was to explore a more permissive approach to mansard roof extensions.
- 3.17 The project team established what positively contributed to the character and appearance of the Conservation Areas, and also what detracts from their character and appearance. Historical research was carried out and historic maps were analysed for the two Areas. A review of existing appraisal documents was carried out and they were revised to more clearly acknowledge the key positive characteristics, while maintaining its overall structure. The appraisal identifies threats, pressures and opportunities for the Conservation Areas (Appendix 2).
- 3.18 Having identified the pressures and opportunities in the Character Appraisal, the Management Guidelines provides more guidance on how to implement the opportunities for enhancement and manage development. The revised appraisals consider how to manage change in Driffield Road and Medway Conservation Areas in the short, medium, and long term. They also include draft prototype designs for mansard roof extensions carefully designed to be as sympathetic as possible within the Conservation Areas. For continuity and ease, the Management Guidelines are integrated into the same document as the Character Appraisal for each Conservation Area (Appendix 2).
- 3.19 The proposals included refreshing the existing character appraisals and management guidelines for the two areas and developing detailed design principles for mansard roof extensions, together with a prototype for a mansard roof (Appendix 2).
- 3.20 Officers consulted amenity societies (Historic England, the Victorian Society, the Georgian Group, the Ancient Monuments Society and the Society for the Protection of Ancient Buildings) and sought their feedback on the approach taken, the methodology and the detailed design proposals.

Second Round of Public Consultation – 25th Jul – 11th Sept 2016- Driffield Road and Medway Conservation Areas- a more permissive approach to mansard roof extensions

3.21 The proposals for Driffield Road and Medway Conservation Areas were the subject of an inclusive public consultation between 25th July and 11th Sept 2016. The proposals were published on the Council’s website for residents’ feedback. During this period three public consultation events were also held in Bow and details of these sessions are set out below. At these sessions officers and consultants presented the proposals to residents and stakeholders and addressed queries and noted comments.

Venue	Session Date and time
Bow Idea Store, 1 Gladstone Place Roman Road, Bow E3 5ES	Thursday 28 July 2016 5:30-8:30pm
St. Paul’s Church, St. Stephens Road, E3 5JL	Tuesday 16 August 2016 2-5pm Wednesday 7 September 2016 5:30-8:30pm

3.22 Officers set out clearly in the information presented and in any communication with the residents and stakeholders that further work remained to be undertaken to assess the impacts of the proposals on the character and appearance of the two conservation areas, level of public benefits realised by the proposals, fairness and equality issues arising from the proposals and any other material planning consideration.

Consultation Feedback

3.23 Comments received during consultation showed support for the proposals and the breakdown of the responses received as part of consultation is set out below.

SUMMARY OF CONSULTATION RESPONSES						
	Support		Object		Total	Total number of addresses in the conservation area
	No.	%	No.	%		
Driffield Road	25	69	11	31	36	813
Medway	17	89	2	11	19	937
Total	42	76	13	24	55	1750

- 3.24 A detailed summary of responses received is attached (Appendix 3). It is evident from the feedback, including two signed petitions, received earlier this year (Appendix 8) that there is support for the proposals from residents in the two Conservation Areas.
- 3.25 As part of the consultation process Historic England, The Victorian Society, The Georgian Group, Society for the Protection of Ancient Buildings and The Ancient Monuments Society were invited to comment on the revised documents. The draft conservation area appraisals and management guidelines were emailed to the above with a covering letter explaining the background for the consultation. In addition to inviting them to comment by email, two workshops/meetings were set up for a group discussion. None of the above were able to attend on the given dates, however, written responses were received from Historic England and the Victorian Society.
- 3.26 Detailed feedback from Historic England is set out in Appendix 3. A summary of the main issues raised by Historic England is set out below:

We welcome the detailed approach taken by the Council which will better ensure that extensions within the above conservation areas are undertaken to an appropriate standard. However, whilst the specific guidance on alterations demonstrates a considered approach the potential for numerous piecemeal roof extensions has the potential to result in harm to the historic environment. The National Planning Policy Framework sets out the Government's policies for sustainable development, including the core principle of conserving heritage assets in a manner appropriate to their significance. In our view, the Council should consider whether the potential harm to the significance of the conservation areas is outweighed by the public benefits associated with allowing such a change. This should be assessed in accordance with policies 132 to 134 of the National Planning Policy Framework.

- 3.27 Detailed feedback from The Victorian Society is set out in Appendix 3. A summary of the main issues raised by The Victorian Society is set out below:

The desire of residents within two conservation areas to enlarge their homes is noted and the guidance produced in response to this is clearly the result of much thought and deliberation about sensitively managing change in the historic environment. However, whilst this guidance is intended to minimise harm and a loss of character, conceding a blanket allowance of upward extensions within these Conservation Areas would entail a high level of cumulative harm in the long run. We therefore have a number of reservations about the principle of such a change and the potential for this to be a dangerous precedent to set when thinking about the wider picture.

- 3.28 Registered Providers who own housing stock in the two Conservation Areas were also contacted during the public consultation exercise, both choosing to neither support nor reject proposals for a more permissive approach to

mansard roofs. In addition, neither stated that they had any immediate desire to add roof extensions to their properties. However, one organisation did note that this may enable them to improve the number/choice of homes they were able to offer (Appendix 3).

Assessment of Harm vs Public Benefit of the Proposals

- 3.29 As set out earlier the proposals have to be carefully assessed in accordance with the NPPF. The NPPF requires that development affecting heritage assets should be assessed and any harm identified balanced against the public benefits of the proposals. Officers prepared a methodology for assessing the impacts of the proposals on the character and appearance of the conservation area that takes into account national, regional and local policies (Appendix 4). The assessment methodology follows closely the methodology followed by Planning Inspectors when assessing planning appeals in conservation areas. The assessment methodology was also assessed independently by Counsel to ensure it was robust and defensible.
- 3.30 Based on the methodology adopted, Alan Baxter Associates carried out an independent assessment of the impact of the proposal on the Driffield Road and Medway Conservation Areas and the level of significance of that impact. This assessment along with other material planning considerations has been compiled together in the form of an Assessment Report that weighed harm vs public benefit of the proposals, in line with the NPPF (Appendix 5).
- 3.31 Virtually all the terraces within the two Conservation Area have London (or Butterfly) roofs. These are an inverted 'V' in form with a central valley and ridges on the party walls between the individual houses of the terrace. These roofs are of low pitch and are concealed from the street (i.e. the front) behind parapets producing a hard, straight edged appearance to the houses and a strong silhouette. This lack of visible roof is an important architectural characteristic. At the rear, the parapet is nearly always omitted and the row of gently pitched gables is clearly evident.
- 3.32 The Character Appraisals and Management Guidelines for the Driffield Road and Medway Conservation Areas identify the continuous parapet line and lack of visible roof line as an important character of the conservation areas. The introduction of mansard roof extensions will cause significant change to the appearance of the conservation area. Even with a well-designed and detailed mansard roof proposal with setback as proposed in the management guidelines within the two conservation areas, there is potential for significant harm to the uninterrupted roof line that is characteristic of the two conservation areas. The potential for numerous piecemeal extensions has the potential for significant harm to the character and appearance of the conservation area resulting in a saw toothed appearance. Furthermore, mansard roof extensions will mean loss of the historic fabric - roof 'V' shaped butterfly roof.



- 3.33 This issue of piecemeal roof extension in the two conservation areas and their impact is raised as a concern also by Historic England and the Victorian Society. Whilst they welcome the approach taken to prepare detailed design guidelines for mansard roofs, they have concerns about the piecemeal mansard roof extensions that could cause considerable cumulative negative impact on the character and appearance of the two conservation areas. Counsel advice also acknowledges the negative impact of isolated mansard roof extensions in the two Conservation Areas.
- 3.34 The Assessment Report concludes that there will be significant harm to the character and appearance of Driffield Road and Medway Conservation Areas. The report further qualifies this by setting out that the harm will potentially be substantial in the short term (up to 10 years) and medium term (10-20 years) and potentially less than substantial in the long term (over 20 years) when it is

assumed that many of the properties would have undertaken the extension in line with the set design principles, and some degree of uniformity is once more established.

- 3.35 The Assessment Report sets out that the public benefits associated with these proposals are not sufficiently significant to weigh against the harm caused by these proposals which is an essential test for such assessments. The report concludes that the benefits associated with the proposals are primarily personal and are not public benefits. Although residents argue that the proposals are essential for retaining families in the area and therefore assist in community cohesion, and there is some merit in these arguments, these are matters beyond the remit of planning to control and monitor, and are difficult to quantify.
- 3.36 Historic England in their comments have highlighted that *'the Council should consider whether the potential harm to the significance of the conservation areas is outweighed by the public benefits associated with allowing such a change'*. *The proposals currently do not result in significant public benefit to outweigh the harm.*
- 3.37 Counsel advice also recognises the potential harm caused by the isolated mansard roof extensions in the absence of significant public benefits to help mitigate harm, and advises that if harm is to be accepted, the Council should do what it can to seek to mitigate the harm through a packaged approach which seeks to secure public benefits so far as possible, as detailed above. A permissive approach to mansard roof extensions will therefore require a different approach to substantially increase the public benefits and outweigh the harm arising from mansard roof development. Such an approach is not part of the proposals currently under consideration. Such an approach will require undertaking additional work to identify and establish a process to secure the additional benefits and have been set out in Section 2 under alternative options. It is important to note that this approach is currently not part of the proposals under consideration and therefore cannot at this time be finalised or adopted to help to outweigh the harm caused by a permissive approach to mansard roof extensions in the two conservation areas.
- 3.38 An assessment of property type and tenure in the two Conservation Areas (Appendix 7) shows that only 34% in Medway and 45% in Driffield Road are owner occupied and the rest are either privately rented or rented through Local Authority or Housing Association/Registered Providers. This raises questions about the actual number of owner occupied properties that will benefit from family home extensions as a result of these proposals.
- 3.39 Whilst there has been significant public interest in family home extensions in the two conservation areas as is evident from the Overview and Scrutiny Challenge session and the response to public consultation, it is important to note that the level of responses received is only a very small percentage of population when compared the number of addresses in the area. For example, only 36 people sent written responses from Driffield Road out of 813 addresses whilst in Medway there were 19 responses from 937 addresses.

Furthermore, only 25 responses were received from Driffield Road out of 813 addresses and 17 responses from Medway out of 937 addresses seeking a permissive approach for mansard roof extensions. This illustrates that the need for mansard roof extension is from a very small section of the residents in the two conservation areas and is not a reflection of the community at large living within the two areas. It is there important that to note that the argument of allowing family home extensions to retain existing families in the two areas may not be a strong as was originally indicated because of the relatively small number of consultation responses that support the changes.

- 3.40 It is equally important to recognise that 11 out of 36 responses from Driffield Road and 2 out of 19 responses from Medway objected to a permissive approach due to the harm this will cause to the character and appearance of the conservation areas. They also argue that the existing housing meets the requirement for families. There is clearly a tension between those who seek a permissive approach to mansard roof extension and those who resist it within the two areas.
- 3.41 The Driffield Road and Medway Conservation Areas are almost wholly characterised by 2-3 storey Victorian terraces and are predominantly residential in character. They are characterised by the homogenous layout of small scale streets, containing uniform terraces and the lively Roman Road and the streetscape of small retail shops. This is an area of particular special architectural and historic interest, illustrated by its rich history, cohesive character and domestic architecture dating from the 19th century. There are no statutory listed buildings within the two Conservation Areas. It is the cohesive character of the Area rather than individual buildings which the Conservation Area status seeks to preserve and enhance. That very integrity has the potential to be harmed by piecemeal approach to mansard roof extension should a permissive approach be considered for mansard roof extension in these two areas.
- 3.42 The distribution of tenure across the two Conservation Areas shows that the properties owned by housing associations / registered providers are pepper potted across the area. This presents challenges to co-ordinating mansard roof extensions across the terraces in the short and medium term. Lack of co-ordination of the proposals across the terraces due to differences in tenure would result in considerable harm in the short and medium term as it will result in a saw toothed appearance that will have a negative impact on the consistent roof line that is a significant part of the character of the two Conservation Areas.
- 3.43 Given the level of properties that are privately rented and rented including those through housing association/registered providers, it is also hard to ensure public benefit through community cohesion would be achieved as argued during public consultation by residents as there is no guarantee that existing residents would stay long term even if the mansards were permitted and constructed (in rented family accommodation or in owner occupied properties).

- 3.44 There is also the danger of loss of existing family dwelling houses in the absence of appropriate mechanisms to prevent loss of family homes by subdivision and conversion into flats. The distribution of dwelling types (Appendix 7) in the two areas illustrates that a number of properties have already been subdivided in the two areas (Medway- 15% and Driffield -19%). Whilst Local Plan policies resist the loss of family homes, the Plan does not resist subdivision as long as a family sized unit is retained on the application site. In the past this has enabled subdivision of family dwelling houses in the two Conservation Areas. A recent example of such a subdivision resulted in a six bedroom family home being converted into a 3 bedroom family sized unit on the ground floor and a one bedroom unit on the upper floor (even without a mansard roof extension). A more permissive approach to mansard roof extensions offers the potential of promoting such subdivisions in the future, thereby working against the need for larger family houses which this proposal seeks to address. The permissive approach proposed could potentially result in more family dwelling houses being subdivided and thus changing the nature of family home offer in the two Conservation Areas.
- 3.45 As set out in section above, the existing distribution of tenure and ownership pattern in the Driffield Road and Medway Conservation Areas illustrates that it will indeed be difficult to co-ordinate, monitor and achieve coherence and consistency in roof extensions across a terrace/block in the two conservation areas in the short and medium term making it hard to justify the proposals in the absence of significant public benefits to outweigh the harm to the two conservation areas in the short and medium term. Furthermore, in the absence of an appropriate mechanism to resist the subdivision of family homes and its monitoring over time, the level of public benefits in terms of community cohesion and the resultant social capital associated with the proposals is questionable even in the longer term.
- 3.46 It is important to note that even in the long term, not all of the properties will necessarily have implemented the proposals. If appropriate mechanisms to resist the subdivision of family dwelling houses are not adopted the proposals will impact negatively on the community cohesion that this proposal seeks to address. Overall, this raises concerns about the level of public benefit these proposals may achieve even in the longer term to mitigate against the identified harm arising out of the loss of historic fabric (London Roofs/Butterfly roofs) and consistent roof line.
- 3.47 For the reasons set out in this section, the Assessment Report concludes that the proposals for a permissive approach to mansard roof extension will cause considerable harm to the character and appearance of the conservation areas and the level of public benefit is limited and therefore does not outweigh the harm to the conservation area.

Subdivision of Family Dwelling Houses

- 3.48 As set out above a more permissive approach to mansard roof extensions raises concerns about the potential for subdivision of existing family dwelling houses in the two conservation areas. In the absence of an appropriate mechanism to resist subdivision, a permissive approach could result in

subdivision of family houses into flats that could impact negatively on the existing stock of family dwelling houses. More importantly it would work contrary to the original intent of this work which was to enable family homes to expand and support families to grow and remain in the area.

- 3.49 A review of the Council's Local Plan policies illustrates that the Council's policies resist the loss of existing family homes but do not resist subdivision. Where an application is made to subdivide a family dwelling house as long as the application is able to demonstrate that a family sized unit is retained on site, the application is permitted subject to the scheme meeting other material planning considerations. As such, the Council does not have a policy on subdivision to resist family homes from being converted to flats.
- 3.50 In order to address the issue of subdivision of family dwelling houses officers explored the use of an Article 4 Direction in the two Conservation Areas. An Article 4 direction restricts the scope of permitted development rights either in relation to a particular area or site, or a particular type of development. Where an article 4 direction is in effect, a planning application may be required for development that would otherwise have been considered to be permitted development. However, the subdivision of a family home to flats already requires planning permission. Therefore introducing an Article 4 is not helpful to prevent subdivision.
- 3.51 Officers are currently exploring other planning mechanisms that may be available to the Council to restrict subdivision, either by introducing new policies through the emerging Local Plan, planning conditions, S106 or other mechanisms.

Threat to Historic Environment

- 3.52 As set out in the earlier sections, isolated mansard roofs and loss of historic butterfly roofs could result in the two Conservation Areas being brought under the Historic England's 'Heritage at Risk Register'. The Council has a duty to protect and enhance the historic environment and by taking a permissive approach to mansard roof extensions there is danger that the two conservation areas could come under the 'Heritage at Risk Register' as a direct consequence of the Council adopting a permissive approach to mansard roof extensions.
- 3.53 Furthermore, un-coordinated mansard roof extensions pose a threat to the continuous designation of the conservation area status for these two areas.

Affordability

- 3.54 Permissive approach to mansard roof extensions could encourage speculative development due to the lack of a policy mechanism to resist subdivision. The permissive approach to extensions for mansards in Driffield Road and Medway Conservation Areas provide an opportunity to add two bedrooms to existing 2 and 3 bedroom properties, increasing them to 4 and 5 bedroom properties. This would significantly increase property values and overall land values in these two areas and as a result make properties unaffordable in the area. Whilst not a material planning consideration,

affordability remains a key issue in the borough highlighted by the Council's Affordability Commission, the Draft Housing Strategy and Draft Local Plan. It is important that the Council by adopting such a permissive approach is aware of the impacts on property prices in Driffield Road and Medway Conservation Area.

- 3.55 Officers are also concerned that as a result of the potential of these changes to indirectly result in significant increases in the property values of these two areas, the Council is likely to come under pressure from property owners who may want to realise the value potential in the Borough's other 56 Conservation Areas.

Equality Analysis Quality Assurance Checklist (EAQA)

- 3.56 Officers undertook an equalities assessment of the revised Character Appraisals and Management Guidelines (including the proposal for a more permissive approach to be taken to mansard roof extensions within the Driffield Road and Medway Conservation Areas) in the form of Equality Analysis Quality Assurance Checklist (Appendix 6). In respect to the revisions that provide more general updates to these documents to allow for better management of the conservation area (which officers are recommending for adoption), the checklist concludes the policy is directed toward the built fabric and will affect the community who live within it irrespective of their characteristics.
- 3.57 In respect of the approach to be taken to mansard roof extensions, the findings of the checklist conclude that there is potential for a more flexible approach to have a positive impact on people living within the two conservation areas. These benefits however would not extend to people with protected characteristics who live within other conservation areas in the borough (who could potentially benefit from such a policy to a greater degree or in different ways than the general public). To this end there is a risk of discrimination against these people (albeit the discrimination would also apply to some degree to those without protected characteristics in other conservation areas as well). As such any discrimination is likely to be an indirect or unintended consequence of the Council carrying forward its wider objective to assist growing families in the two Conservation Areas and the status quo would be retained for those in other areas.

4. COMMENTS OF THE CHIEF FINANCE OFFICER

- 4.1 Cabinet and the Overview and Scrutiny Committee have previously considered reports on the implications of conservation areas on the extension of family homes, with the Mayor in Cabinet on 26th July 2016 approving the adoption of 'Addendums to Conservation Area Character Appraisal and Management Guidelines' for six conservation areas.
- 4.2 Two further conservation areas, Driffield Road and Medway, were considered at the 26th July meeting, and approval was given for further design guidance for these areas to be prepared in conjunction with external heritage and

architectural design consultants. The undertaking of a further consultation process was also approved.

- 4.3 Although Counsel's advice has been used in the drafting of the policy, this does not prevent the risk of a legal challenge to the council's decision, which would take the form of a judicial review in the High Court. If a successful challenge took place, there is a risk of a significant cost liability to the council which should be avoided if possible given the uncertainty of successfully defending the Council's position and the potential costs involved. The potential liability would depend on a variety of factors including how far the appeal went through the courts (following the appeal being heard in the High Court, it could then pass to the Court of Appeal and then could be referred to the Supreme Court).
- 4.4 Estimates of the council's costs for a judicial review that is resolved at the High Court stage exceed £25,000. If the council is unsuccessful it will also be liable for the claimant's costs which could be substantially higher, and it is therefore possible that proceedings determined at this first stage could cost in excess of £100,000. Costs would increase further if the council is unsuccessful and the judicial review progresses beyond the High Court. However, if the council is successful in defending the proceedings, it is likely the appellant would have to reimburse the council's costs.
- 4.5 It would seem that there are significant financial risks associated with a successful legal challenge to adopting a more permissive policy and subsequently approving planning applications in line with that policy, particularly given that the assessment commissioned by the Council and set out in paragraphs 3.29 to 3.47 does not support a more permissive approach.
- 4.6 As was the case with the previous reports, the recommendations are associated with reviewing and updating policies and planning documentation. The resources relating to the preparation of the amendments to the conservation area guidelines and the undertaking of the formal consultation processes have mainly been officer time, the costs of which have been met from within existing budgets. However in this specific case, external heritage and design consultants have been commissioned to undertake detailed design guidance for mansard roof extensions within the Driffield Road and Medway areas, and Counsel's advice has also been sought on the implications if a permissive approach to mansard roof extensions in these two conservation areas is adopted (paragraph 3.64). These costs are estimated at approximately £80,000 and will also be met from existing resources.

5. LEGAL COMMENTS

- 5.1 This report recommends that the Mayor in Cabinet note the harm that could be caused to the conservation areas through the adoption of a more flexible approach to mansard roofs, as outlined in the Assessment Report. As such the report recommends that the Mayor in Cabinet agree officers' recommendation to adopt the revised Conservation Area Appraisals and Management Guidelines, with the detailed design guidance prepared in

respect of the mansard roof extensions removed. For completeness and clarity it is recommended that if the updated appraisals and guidelines are adopted that they replace the existing versions currently in use. If the Mayor in Cabinet is not supportive of the officer recommendation then alternative options for consideration are set out in section 2.

- 5.2 This report follows reports to Cabinet on the 8th of April 2015 and 26 July 2016 which followed an Overview and Scrutiny Challenge Session in respect of planning in conservation areas. The earlier report considered the implications of Conservation Area designation on the extension of family homes and made a number of recommendations for officers to progress further work. Flowing out of the decision in Cabinet on the 26th of July it was agreed that further research would be undertaken to more fully explore the potential for extensions for family homes in the Driffield Road and Medway conservation areas, with a particular focus on roof extensions. Officers are now reporting to Cabinet setting out the results and conclusions of this further assessment and work.
- 5.3 Decisions around changes to the conservation areas should be read and considered in the context of the Council's general statutory duty in respect of conservation areas in the exercise of its powers as the local planning authority (LPA) for the London Borough of Tower Hamlets, as described below.
- 5.4 Section 71 of the Planning (Listed Buildings and Conservation Areas) Act 1990 ("the PLBCAA 1990") provides that it shall be the duty of a local planning authority from time to time to formulate and publish proposals for the preservation and enhancement of any parts of their area which are conservation areas. Any proposals under this section are required to be submitted for consideration to a public meeting in the area to which they relate, and the LPA must have regard to any views concerning the proposals expressed by persons attending the meeting.
- 5.5 In the determination of applications for development in Conservation Areas or in the exercise of any functions under the Planning Acts (including in taking decisions in relation to conservation areas), statute specifically requires the Council to pay special attention to '*the desirability of preserving or enhancing the character or appearance of that area*' (section 72(1) of the PLBCAA 1990).
- 5.6 Also, the National Planning Policy Framework (NPPF) requires decisions on planning applications to be made in accordance with local planning policies. This includes decisions made by the Council, in its capacity as the LPA, on planning applications for mansard roof extensions.
- 5.7 This report shows that the Council's officers have considered and assessed the impacts of taking a more flexible approach to roof extensions within the two conservation areas in the form of revised character appraisals and management plans. This report acknowledges that significant harm could arise if a more permissive approach was taken to mansard roof extensions within these conservation areas. In light of this and in taking a decision how to

proceed, in accordance with the duty under s72 of the PLBCAA 1990 the Council must pay special regard '*the desirability of preserving or enhancing the character or appearance of that area*'. As a statutory duty, this should be given considerable importance and weight when balancing the harm against any benefits and special weight should be given to the desirability of avoiding that harm.

5.8 This report explains how the proposed change of approach being considered in this report has been assessed as causing significant harm to the character and appearance of the conservation areas especially in the short to medium term. After considering this report and the supporting documents it is open to the Mayor in Cabinet to reach his own conclusion as to whether the change of approach under consideration should be taken forward. Nonetheless, it should be noted and understood that the Council is at risk of challenge which could be brought by way of judicial review, especially if a decision is taken against officer advice. However, provided the Council comply with their duty under s72, consider all material considerations, and do not have regard to considerations which are not material to this decision (and otherwise act lawfully) then the Council would be in a strong position to defend such a claim.

5.9 In terms of taking a decision on the officer recommendation, the consultation that has been undertaken must have followed the following common law criteria:

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

Robust and appropriate consultation has been carried out as referred to in paragraphs 3.9 and 3.21 of this report and paragraphs (a) to (c) above have been complied with. Prior to any decision being made, full and proper account of the consultation responses must be taken in deciding whether the Council proceeds with the changes.

5.10 As referenced throughout this report, Counsel's advice has been requested at various stages of the process, firstly to review the methodology that was to be used to assess the impacts of the proposals on the character and appearance of the conservation area and more recently to review the assessment report and supporting documentation. In his advice Counsel acknowledged the harm that isolated mansard development would cause (at least in the medium term) and advised that the Council should therefore seek to mitigate that harm. It was suggested that the Council might seek to do this via the packaged approach which is detailed and discussed above in this report. Such a packaged approach would allow the Council to assess the impact of the mansards alongside potential mitigation, rather than in isolation.

- 5.11 As detailed a packaged approach would be achieved by adopting guidance supporting the approval and development of mansards alongside or as part of a package with (a) works to address issues arising in respect of the dwelling concerned (and its current contribution to the character and appearance of the conservation area concerned), and (b) some limited off-site contributions which would allow for other necessary improvements within the conservation area and monitoring. The guidance could contemplate the routine refusal, rather than grant, of planning permission for mansard roof developments where these were proposed without other improvements.
- 5.12 As the above package approach would represent a significant shift from the proposals the Council consulted on, it is considered that the Council has a duty to carry out further consultation if the Council wishes to take such an approach forward. Without this further consultation, the Council could be vulnerable to challenge and the Council would not be in as favourable position to ask that the guidance be given significant weight in the consideration of an application under appeal. In respect of the two approaches identified under Option 1, option 1a (the integrated approach) is considered the more robust approach because a final decision can be taking having regard to the exact public benefits which could be secured. If the Mayor in Cabinet decides that Option 1 should be pursued then prior to a final decision being taken on the extent and nature of the public benefits, any applications made for mansard roof extensions in the interim would be assessed on a case by case basis against existing local plan policies.
- 5.13 In deciding whether to bring forward the recommendations in this report, the Council must have due regard to the need to eliminate unlawful conduct under the Equality Act 2010, the need to advance equality of opportunity and the need to foster good relations between persons who share a protected characteristic and those who do not. An Equality Analysis Quality Assurance Checklist (EAQA) has been carried out, which is discussed above.

6. ONE TOWER HAMLETS CONSIDERATIONS

- 6.1 One of Tower Hamlets great strengths is its diversity, however, this diversity can sometimes result in inequality. One Tower Hamlets is about reducing the inequalities and poverty that we see around us, strengthening cohesion and making sure our communities continue to live well together.
- 6.2 A key theme in the Tower Hamlets Community Plan is that of A Great Place to Live. The Community Plan states that: "A Great Place to Live" reflects our aspiration that Tower Hamlets should be a place where people enjoy living, working and studying and take pride in belonging". The preservation and enhancement of areas of special architectural or historic interest may make a significant contribution to the local environment and how people feel about Tower Hamlets. Pride in the local environment may serve to bring communities together across ages and backgrounds.

6.3 Inclusion of a property on the Statutory List or within a Conservation Area can result in additional costs being incurred by occupants and owners, both in terms of the sympathetic repair of buildings and the development of proposals for their alteration or extension. The revised Character Appraisals and Management Guidelines will help to clarify the special character of a Conservation Area particularly with reference to possible extensions and thus help to minimise the costs by providing surety to the development process.

6.4 An Equality Analysis was carried out to consider the public consultation undertaken and to assess the likely impact of the conservation area character appraisals and management guidelines on the Borough's diverse communities. The findings of this are discussed at paragraphs 3.56-3.57.

7. BEST VALUE (BV) IMPLICATIONS

7.1 Work has been carried out by external consultants (Design and heritage) with input from Council officers. Any additional work arising from this decision will be carried out by external consultants through the use of a competitive procurement process.

7.2 Consultation has been carried out with local residents in the two Conservation Areas, along with other key stakeholders. This is detailed in paragraphs 3.21 to 3.28 of this report.

8. SUSTAINABLE ACTION FOR A GREENER ENVIRONMENT

8.1 There are no specific environmental implications associated with this report.

9. RISK MANAGEMENT IMPLICATIONS

9.1 Progress on the addendums and Mansard Roof Guidance Note has been regularly reported through a number of internal groups that consider risk management and mitigation. These include:

- Directorate Management Team (3rd October 2016)
- Corporate Management Team (26th October 2016)

10. CRIME AND DISORDER REDUCTION IMPLICATIONS

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

11. SAFEGUARDING IMPLICATIONS

11.1 There are no specific safeguarding implications associated with this report.

Linked Reports, Appendices and Background Documents

Linked Report

NONE

Appendices

- Appendix 1 Cabinet Report and Action Plan (8th April 2015)
- Appendix 2 Revised Character Appraisals and Management Plan for Driffield Road and Medway Conservation Area
- Appendix 3 Summary of Consultation Responses
- Appendix 4 Methodology for Assessing Harm
- Appendix 5 Assessment Report - Harm v Public Benefit
- Appendix 6 An Equality Analysis Quality Assurance Checklist (EAQA)
- Appendix 7 Property type and tenure- Driffield Road and Medway
- Appendix 8 Petitions received in January 2016
- Appendix 9 Timescales to Progress a Permissive Approach to Mansard Roof Extensions in Driffield Road and Medway Conservation Areas – Alternate Options

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

None

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Appendix 3

Consultation Feedback

This includes:

Written responses, feedback received at the consultation events, detailed feedback received from amenity groups and Registered Providers.

APPENDIX 3: SUMMARY OF CONSULTATION RESPONSES

This document provides details of consultation responses received from the following:

- Residents of Driffield Road and Medway Conservation Areas.
- Residents of other Conservation Areas.

Local resident responses

Overall, 55 responses from residents of Driffield Road and Medway Conservation Areas were received. Of these, 65% supported a more permissive approach to mansard roof extensions. The main reason given is that this approach would support social cohesion by allowing growing families to remain the area.

Those who objected were concerned about the harm mansard roofs will have to the character of the conservation areas. A more detailed breakdown of the responses is provided below:

SUMMARY OF CONSULTATION RESPONSES					
	Support		Object		Total
	No.	%	No.	%	
Driffield Road	25	69	11	31	36
Medway	17	89	2	11	19
Total	42	76	13	24	55

Driffield Road

The total for this conservation area is 36 (including anonymous responses). A breakdown of these responses is set out below.

Supports

The 25 responses supported the proposed character area appraisals and mansard roof options i.e. would like a more permissive approach. All gave the following reason:

“extending family homes is necessary for social cohesion (e.g. it allows families to stay in the area)”.

Objects

The 7 responses received objected to the proposed character area appraisals and mansard roof options i.e. do not want to see a more permissive approach. All gave the follow reason:

“mansard roofs will harm the character and appearance of the conservation area”

Anonymous reponses

There were 4 anonymous responses relating to this area.

Supports

None.

Objects

4 objections were received. The reason for all four objections was that mansard roofs would harm the character and appearance of the conservation are

Medway

The total for this conservation area is 19 to include anonymous responses. A breakdown of those who supported the approach and those who objected is set out below.

Supports

All 15 responses supported the proposed character areas appraisals and mansard roof options i.e. would like a more permissive approach.

All responses gave the following reason: “extending family homes is necessary for social cohesion (e.g. it allows families to stay in the area)”.

One of the supporting emails did emphasise that this support was on the proviso that the historic character is retained. They went further to comment that the rear of the proposed mansard is less important in terms of visual effect on the historic character of the area. They felt that the decision on this element should be based on the impact on neighbouring properties and amenity.

Comments were received at the last consultation event showed concern for the uniformity of the roofscape, the desire to tie in the re-instatement of original architectural features as part of an application for a mansard roof extension.

Objections

The total objections for this area is 2.

All two objections gave the following reason:

“mansard roofs will harm the character and appearance of the conservation area”

Anonymous responses

There were 2 anonymous responses for this area. Both were supportive of a more permissive approach stating the follow reasons:

- Necessary for social cohesion
- Mansards are a traditional and sympathetic addition to historic buildings

Responses from residents in other conservation areas

The total number of responses from residents of other conservation areas remains at 3 (1 from Jesus Hospital and 2 from Tredegar Square). All of these responses were supportive of a more permissive approach to mansard roof extensions.

APPENDIX 3 : Feedback received at the three consultation events

Consultation event on 26 July 2016.

- 1.1 The event was held at Roman Road Idea Store and was attended by Tower Hamlets officers and the project consultants, Alan Baxter Associates and Kennedy O'Callaghan Architects.
- 1.2 The event went smoothly and the venue allowed the consultation materials to be displayed easily.
- 1.3 The attendance sheet was signed by 18 people.

Feedback received by consultants

- 1.4 The consultants were asked to provide feedback received at the event and this is set out below:

“Kennedy O’Callaghan Architects and Alan Baxter Ltd (ABA) attended the public consultation exercise held at Bow Ideas Store on 28 July 2016. ABA’s assessments of the characteristics of the Driffield Road and Medway Conservation Areas were displayed alongside Kennedy O’Callaghan’s design options for roof extensions, and maps of both conservation areas showing existing roof extensions and rear extensions.

All of the members of the public who attended the consultation session and spoke to ABA representatives were owners of houses in the conservation areas. They were knowledgeable about their own properties and their neighbourhoods in general, and committed to preserving the character and appearance of the conservation areas – although not all agreed that roof extensions were desirable. The conversations indicated general awareness of the importance of the parapet and cornice as a unifying element in long views down the streets, and of party wall upstands and chimneystacks in providing a rhythm to the terraces.

Of the six people who discussed the draft guidance with ABA representatives, two were determinedly opposed to any roof extensions anywhere in the conservation areas. They disagreed with roof extensions in principle, and therefore were not concerned with the differences between the design options presented. Three were interested in how their own houses might be extended into the roof, and were among several consultees who asked the architects about the design and method of construction, in some detail. The suggested typical layout plan showing a double bedroom and bathroom was of particular interest. One consultee did not disclose a personal view about the desirability of a more permissive attitude to roof extensions but was interested in the possibility of restoring elements of the front elevation such

as cast-iron railings, and whether consent to extend might be made conditional upon this kind of improvement”.

Feedback received by LBTH Officers

- 1.5 Officers recorded a mixed response from to those who attended the event. However, most were in favour of a more permissive approach to mansard roof extensions citing the following reasons:
- Allow growing families to remain in the area.
 - That over time they would become part of the character of the conservation area as it evolved and adapted to changing demands.
- 1.6 Those who did express objections/concerns did so for the following reasons:
- Would harm the character of the conservation area.
 - Piecemeal approach to building mansards would harm the character of the conservation area.
 - The splitting of family homes into two flats or more.
- 1.7 Many were pleased to see actual design options for mansards roof extensions and discussed these options at length with Kennedy O’Callaghan Architects. The refreshed appraisal documents and management guidelines were available but there seemed to be little appetite to read those documents.
- 1.8 There was a general assumption that the decision to allow mansards had been made. Officers did informed attendees that this was not the case. There was still a process to be followed which would need to look at assessing harm, taking further legal advice and considering the equalities issues before any decision could be made.
- 1.9 Residents from other conservation areas said they were interested to see the outcome of this consultation and the implications it would have for them.

Consultation event on 16 August 2016

- 1.10 The event was held at St Paul’s Church on St Stephens Road and was attended by Tower Hamlets officers and the project consultants; Alan Baxter Associates and Kennedy O’Callaghan Architects.
- 1.11 The event went smoothly and the venue allowed the consultation materials to be displayed easily.
- 1.12 The attendance sheet was signed by 4 people, however, a total of 7 people attended the event.

Feedback received by consultants

- 1.13 The consultants were asked to provide feedback received at the event and this is set

out below:

“Kennedy O’Callaghan Architects and Alan Baxter Ltd (ABA) attended the public consultation exercise held at St Paul’s Church, Old Ford Road on 16 August 2016. The materials on display were the same as those at the previous consultation session: ABA’s assessments of the characteristics of the Driffield Road and Medway Conservation Areas, Kennedy O’Callaghan’s design options for roof extensions, and maps of both conservation areas showing existing roof extensions and rear extensions.

7 members of the public attended (plus the vicar); all were owners of houses in the conservation areas. Most were interested in how their own houses might be extended into the roof, and asked the architects about the design and method of construction, in some detail. One newly-wed couple were interested in extending their 1st floor flat to allow them to stay in the neighbourhood. Another couple were opposed to the principle of Mansard roof extensions at the first consultation but felt reassured by the prototype designs if they were implemented with consistency and attention to detail. However they expressed a concern that roof extensions might lead to further sub-division of housing units. One consultee did not oppose mansard roof extensions on grounds of appearance but expressed concern that an additional floor would inevitably lead to an increase in population and this would increase demand for on-street parking which was currently at full capacity. One consultee was interested in the potential of a roof extension making it possible to divide her house into two flats, as a way of funding her retirement. (This point was raised at the 1st consultation.)

Feedback received by LBTH Officers

1.14 Officers recorded a mixed response from to those who attended the event. However, most were in favour of a more permissive approach to mansard roof extensions citing the following reasons:

- Allow growing families to remain in the area.

1.15 Those who did express objections/concerns did so for the following reasons:

- The splitting of family homes into two flats or more and that would degrade the character of the area as a result of increased parking, different front elevation treatments e.g. windows.
- The increase of on street parking as a result of increased size of family homes and/or the potential of sub division.
- The disruption caused by associated works if people went forward with mansard roof extensions.

1.16 Residents were pleased that the appraisals were being revisited. Many were pleased

to see actual design options for mansards roof extensions and discussed these options at length with Kennedy O'Callaghan Architects. The refreshed appraisal documents and management guidelines were available but there seemed to be little appetite to read those documents. However, there was overall praise for the quality of the material available.

- 1.17 There was a general assumption that the decision to allow mansards had been made. Officers did inform attendees that this was not the case. There was still a process to be followed which would need to look at assessing harm, taking further legal advice and considering the equalities issues before any decision could be made.

Feedback from the consultation event on 7 September

- 1.18 The event was held at St Pauls Church on St Stephens Road and was attended by Tower Hamlets officers and the project consultants; Alan Baxter Associates and Kennedy O'Callaghan Architects.
- 1.19 The event went smoothly and the venue allowed the consultation materials to be displayed easily.
- 1.20 The attendance sheet was signed by 15 people.

Feedback received by consultants

- 1.21 The consultants were asked to provide feedback received at the event and this is set out below:

Kennedy O'Callaghan Architects and Alan Baxter Ltd (ABA) attended the public consultation exercise held at St John's Church on St Stephen's Road on 7 September 2016. ABA's assessments of the characteristics of the Driffield Road and Medway Conservation Areas were displayed alongside Kennedy O'Callaghan's design options for roof extensions, and maps of both conservation areas showing existing roof extensions and rear extensions.

At least fifteen people attended this consultation and most were very engaged with representatives from the Council and Kennedy O'Callaghan Architects. The majority were owners of houses or flats in the conservation areas and they seemed to be knowledgeable about their own properties and their neighbourhoods in general. All were supportive of roof extensions, but voiced different concerns associated with the possible new policy. In summary, some of these concerns were:

- *A resident from Tredgar Square Conservation Area, concerned about what the knock-on effects would be for his own neighbourhood.*
- *Concern of increased pressure on car parking on and around Kenilworth Road.*
- *Worry about HMOs and change in occupiers in the houses- if a fourth floor can be added to a house, for example, it very easily divides into two flats, and is no longer a single home.*

- *A couple of residents wanted the Council to take a more prescriptive approach to mansard roof extensions, and that they should enforce a uniform design across the whole street in order to maintain the uniform character and appearance of the streets.*
- *Two further consultees, who had been actively lobbying the council in favour of mansard roof extensions, argued that applicants should be required to follow the design guidance to maintain design consistency and quality*
- *Two consultees expressed a preference for more individuality in design of the rear of the mansard roof extensions*
- *One resident who was planning to install replacement timber sash windows said she would only do so if she was able to stay in the property, which in her case would mean a mansard roof extension to meet her family requirements. She would also like to explore the possibility of outdoor space at roof level*
- *One consultee asked if they were required to have a hipped gable on a property with an inboard staircase or whether an extended gable, as proposed for properties with outboard staircases, would be acceptable*

There were also questions to the Council about planning process: the process of drafting, consulting on and adopting new policy, and how applications would be assessed should this policy be adopted.

Several consultees (residents and three architects) asked the architects about the design and method of construction, in some detail. A young couple, who had withdrawn an application for a mansard roof extension early this year, discussed Kennedy O'Callaghan's drawings in some data.

Feedback from LBTH Officers

- 1.22 Those who attended the event on 7 September spent a considerable time talking to officers and the consultant team.
- 1.23 From the responses recorded by officers there was clear support for a more permissive approach to mansard roofs once again citing the following reasons:
- Allow growing families to remain in the area and thereby support social cohesion
- 1.24 However, there was a strong body of opinion at this event that if mansards roofs were allowed they should be uniform in size, use of materials etc.
- 1.25 In addition, some residents wanted a guarantee that general façade improvements (restoration of historic decorative features) would be part of the approval.
- 1.26 Some residents expressed concern that mansards would lead to sub-division, loss of family dwellings and transient communities and unsafe neighborhoods. They were also concerned about how this would affect other conservation areas?

APPENDIX 3: Feedback Received from Amenity Societies

- 2.1 This section sets out consultation responses received from amenity groups in response to the revised conservation areas appraisals and management guidelines document for Driffield Road and Medway conservation areas.
- 2.2 As part of the consultation process the following groups were invited to comment on the revised documents.
- Historic England
 - The Victorian Society
 - The Georgian Group
 - Society for the Protection of Ancient Buildings
 - The Ancient Monuments Society
- 2.3 The draft conservation area appraisals and management guidelines were emailed to the above with a covering letter explaining the background for the consultation.
- 2.4 In addition to inviting them to comment by email two workshops/meetings were set up for a group discussion. Unfortunately none of the above were able to attend on the given dates.
- 2.5 However, written responses have been received from the following groups and a summary of their observations are given.

Historic England

- 2.6 Summary of main issues raised by Historic England is set out below:

We welcome the detailed approach taken by the Council which will better ensure that extensions within the above conservation areas are undertaken to an appropriate standard. However, whilst the specific guidance on alterations demonstrates a considered approach the potential for numerous piecemeal roof extensions has the potential to result in harm to the historic environment. The National Planning Policy Framework sets out the Government's policies for sustainable development, including the core principle of conserving heritage assets in a manner appropriate to their significance. In our view, the Council should consider whether the potential harm to the significance of the conservation areas is outweighed by the public benefits associated with allowing such a change. This should be assessed in accordance with policies 132 to 134 of the National Planning Policy Framework.

- 2.7 Historic England provided detailed comments on the proposals and is set out below:

Both the Driffield and Medway Conservation Areas are significant for their compact Victorian terrace housing. A significant aspect of their character are consistent flat parapets hiding "London roofs", which provides a strong harmony of appearance in many streets. The conservation areas meet at Roman Road and although Medway was largely developed slightly later there remains a strong similarity in character and

appearance. We also note that the Driffield Road Conservation Area demonstrates a very high proportion of survival in terms of historic roof forms, along a strong north south "ladder" of streets. Medway Conservation Area demonstrates a more varied townscape with an apparent wider extent of change and less consistency.

The consultation states that the consideration of a more flexible approach within these conservation areas is based on the apparent level of demand amongst families unable to extend their dwellings, and faced with a lack of alternative affordable alternatives within the borough. Whilst we recognise the considerable pressure on existing housing resources, this does not demonstrate a clear benefit for the historic environment. In our view, there would appear to be merits of retaining a case by case approach which takes into account the immediate context and setting. This would avoid potential harmful precedents and better enable change to be managed. We would however consider that the introduction of better guidance, to ensure that where change is acceptable it is of high quality, to be beneficial.

However, it is the responsibility of the local authority to consider whether wider public benefits are demonstrated and whether these can clearly demonstrate that they outweigh any harm to the conservation area.

In assessing whether to adopt a more relaxed approach to roof extensions the Council should consider the sensitivity to change and whether this establishes harmful precedents for other conservation areas, the drivers for change, and the extent of public benefit. In our view any decision needs to be informed by completeness and quality of townscape, the wider setting in terms of the historic and architectural relationship to residential conservation areas throughout the borough, and the borough-wide policies for housing. The review of eight conservation areas undertaken by the local authority provides a good basis for such an assessment.

Victorian Society

2.8 Victorian Society's comments in summary is set out below:

The desire of residents within two conservation areas to enlarge their homes is noted and the guidance produced in response to this is clearly the result of much thought and deliberation about sensitively managing change in the historic environment. However, whilst this guidance is intended to minimise harm and a loss of character, conceding a blanket allowance of upward extensions within these Conservation Areas would entail a high level of cumulative harm in the long run. We therefore have a number of reservations about the principle of such a change and the potential for this to be a dangerous precedent to set when thinking about the wider picture.

2.9 Victorian Society expanded their comments by providing more detailed feedback on the proposals as set out below:

As identified in the Conservation Area Character Appraisals, it is the uniformity and lack of visible roof that are the key defining characteristics of the mid-Victorian terraces that the new guidance predominantly concerns. The hard, straight edged silhouette of the rooflines would be lost and as Historic England's guidance note 'London Terrace Houses 1660-1860 states "where it is evident that additional floors in any form will harm the architectural integrity of a building, a roofscape or the interest of a group, they should not be accepted" . The terraces in question may fall just outside of this date range, but the issues are the same. It is not possible to provide additional floor without harming their integrity.

Any regularity would also be compromised, as roof extensions will inevitably occur in a piecemeal fashion in any on terrace, should greater flexibility be allowed. Even if the same design is strictly enforced, there will be gaps or isolated extension, where not all residents of a terrace do or do not build roof extensions, for whatever reason. Additionally, most of the terraces are presently without rainwater pipes on their street facing elevations, by design rather than by accident. The ingenuity of the London Roof is such that drain pipes are confined to the rear of the property, allowing the principal facades to retain their strong simplicity. This would also present an undesirable change.

We would prefer these changes not to occur on terraces where there presently are a minority of roof extensions, so that the character of the Conservation Areas is sustained. Nevertheless, pressure for change is appreciable and if it is considered that upward extensions are really a necessity in this locality, we urge that any roof extensions are done across a whole terrace, or section of a terrace at any given time, not in isolated instances. This undoubtedly presents a challenge in terms of co-ordination, but the harm to the historic environment is serious and all reasonable steps must be taken to ensure the best possible outcome for it. We also urge that the reinstatement of lost architectural features such as cornices, railings and timber sash windows are not merely encouraged, and are instead a compulsory element of any consent for a roof extension. This would help offset the harm as a real enhancement of the Conservation Areas. However, uniformity is again key and the positive effect of such reinstatement will only be very limited if they occur in a piecemeal fashion.

With regards to the proposed design guidance and prototypes for roof extension, we consider this to be well thought approach that sets out mansard extension in a near a sensitive way as possible, if the principle is to be conceded.

2.10 No responses were received from the other amenity groups.

APPENDIX 3: Feedback from Registered Providers

- 3.1 This section sets out consultation responses received from Registered Providers in the two Conservation Areas in response to the revised conservation areas appraisals and management guidelines document for Driffield Road and Medway conservation areas.
- 3.2 Registered Providers who own housing stock (Tower Hamlets Homes and Circle Housing) in the two Conservation Areas were also contacted during the public consultation exercise, both choosing to neither support nor reject proposals for a more permissive approach to mansard roofs. In addition, neither stated that they had any immediate desire to add roof extensions to their properties.
- 3.3 However, Tower Hamlets Homes did note that this may enable them to improve the number/choice of homes they were able to offer. Their response is set out below:

Whilst we do have street properties which might be potentially be affected in the Medway area, we don't have any formal comment to make at this stage. Clearly any relaxing in planning restrictions might allow for cheaper delivery choices/standards which by definition increases investment in LBTH stock.

Appendix 4

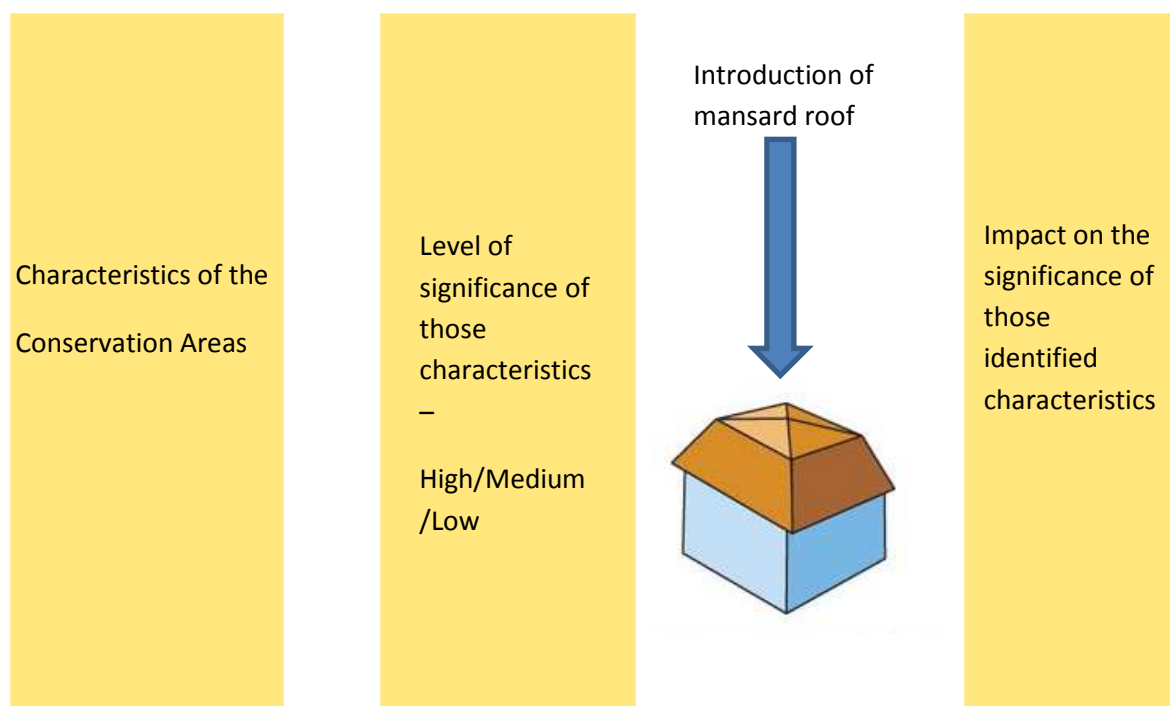
Methodology for Assessing Harm against Public Benefit of the Proposals

Methodology for assessing harm against public benefit - 8th Aug 2016

1. Approach to assessing harm against public benefit

a. Assessing harm

- Review of relevant legislation and establishing what it says about harm
- Defining harm
- How assessment of harm differs - listed building versus conservation area
- Characteristics of the area (specific to Driffled Road and Medway CA) and assessing significance of those characteristics
- Characterising proposals – mansard roofs
- How the proposals impacts on existing characteristics and their significance (see diagram below)



b. Weighing public benefit

- How public benefit is defined and understood
- Difference between private benefit / public benefit
- Role of public benefit in weighing planning policies
- What planning mechanisms have been used to balance public benefit in planning decisions- S106/Article 4s/relevant planning mechanisms
- Specific benefits of mansards in the context of this project

- What we know about the area (level of family homes, home ownership, if properties have been subdivided, number of bedrooms in 2 /3 storey houses in the two CAs, potential for extensions(rear/roof/basement)

2. Methodology for weighing harm against public benefit

- a. Template for assessment based on 1a & 1b (attached)
- b. Further work to support the methodology
 - Case studies and appeal decisions in Tower Hamlets dealing with assessing harm to a CA versus public benefit
 - Review of appeals specific to Driffield Road and Medway
- c. Project Group Meeting- review the work with officers/consultants /external stakeholders(Historic England and others) on a biweekly basis

3. Equalities impact Assessment

- a. Incorporating Equalities Impact Assessment work as part of the methodology
- b. Implications of this work on other conservation areas in the borough

Appendix 5

Assessment Report

APPENDIX 5: ASSESSMENT OF HARM AGAINST PUBLIC BENEFIT

1. OVERVIEW

1.1. Purpose of this document

1.1.1. This document is an appendix to report to Cabinet on Revised Character Appraisals for the Driffield Road and Medway Conservation Areas. It provides a detailed appraisal of the potential impacts arising from adopting a more permissive approach to the consideration of planning applications for mansard roof extensions in the Driffield Road and Medway conservation areas. The document also considers the possible public benefits that may arise from a more flexible approach and weighs these against the potential harm identified in accordance with the established planning decision making framework.

1.2. Findings

1.2.1. This report concludes that :

- Adopting a more permissive approach to mansard roof extensions would result in less than substantial harm to the significance of the Driffield Road and Medway conservation areas.
- Some public benefits in the form of supporting social cohesion and improving social capital, improving building façades and supporting/creating construction jobs may arise. However, the nature of these benefits means that they are presently unquantifiable and can therefore only be given limited weight in the decision making process.
- In order to comply with statutory duties in relation to preserving designated heritage assets, local planning authorities must attach 'considerable importance and weight' when weighing any identified harm against the public benefits of this proposal.
- In view of the relative weight attached to the harm and the public benefits, adopting a more permissive approach to mansard roofs is not considered to be the most appropriate course of action.

2. DECISION MAKING FRAMEWORK

2.1. Development in conservation areas

2.1.1. This section sets out the decision making framework relating directly to the consideration of development in conservation areas. It should be noted that other policy considerations

may also apply as part of any decision making process, notably the protection of other non-designated heritage assets (such as listed buildings) and the protection of residential amenity.

2.2. Statutory

2.2.1. The Council, as local planning authority, has a duty under section 38(6) of the Planning and Compulsory Purchase Act 2004 and section 70(2) of the Town and Country Planning Act 1990 to determine applications for planning permission in accordance with the development plan.

2.2.2. In addition, section 72 of the Planning (Listed Building and Conservation Areas) Act 1990 requires local planning authorities, in exercising their planning functions, to pay special attention to the desirability of preserving or enhancing the character or appearance of Conservation Areas.

2.3. Policy

2.3.1. Section 12 of the National Planning Policy Framework (NPPF) sets out the national planning policies for the conservation and enhancement of the historic environment. The objective of these policies is to maintain and manage change to heritage assets in a way that sustains and, where appropriate, enhances their significance.

2.3.2. Annex 2 (Glossary) of the NPPF also identifies conservation areas (and listed buildings) as designated heritage assets. Paragraphs 132 to 134 of the NPPF set out a sequenced decision-making structure applicable to development affecting conservation areas, as designated heritage assets. Paragraph 132 states that when considering the impact of a proposed development on the significance of a designated heritage asset, great weight should be given to the asset's conservation.

2.3.3. Paragraph 133 states that where a proposed development will lead to substantial harm to or total loss of significance of a designated heritage asset, local planning authorities should refuse consent, unless it can be demonstrated that the substantial harm or loss is necessary to achieve substantial public benefits that outweigh that harm or loss, or if certain other specific criteria are met. Paragraph 134 states that where a development proposal will lead to less than substantial harm to the significance of a designated heritage asset, this harm should be weighed against the public benefits of the proposal, including securing its optimum viable use.

2.3.4. The determination of whether or not a more permissive approach to mansard roofs will result in harm to the significance of the conservation areas in question, and the degree of any such harm (substantial or less than substantial), is a matter of judgement. However, the Conservation Area Character Appraisals and Management Guidelines provide useful tools to assist with this (see below under paragraph 2.5.4). Where it is determined that any harm would be less than substantial, and that the test under paragraph 134 is relevant, it should be applied having regard to the requirement, under section 72 of the Planning (Listed Building and Conservation Areas) Act 1990, to pay special attention to the desirability of preserving or enhancing the character or appearance of Conservation Areas. That is, all elements of the planning balance should not be given equal weight but that considerable importance and weight should be given to any harm identified.

2.4. Regional

2.4.1. The London Plan Policy 7.8 (Heritage Assets and Archaeology) states that development affecting heritage assets and their settings should conserve their significance, by being sympathetic to their form, scale, materials and architectural detail.

2.5. Local

2.5.1. The Core Strategy (CS) Policy SP10 states the Council will protect and enhance a range of heritage assets and their settings, including conservation areas. It also states that the Council will preserve or enhance the wider built heritage and historic environment of the borough, enabling the creation of locally distinctive neighbourhoods. In particular, by promoting and implementing placemaking across the borough to ensure that the locally distinctive character and context of each place is acknowledged and enhanced.

2.5.2. The Managing Development Development Plan Document (MD DPD) Policy DM24 (Place-sensitive design) states that development will be required to be designed to the highest quality standards, incorporating principles of good design, including ensuring design is sensitive to and enhances local character.

2.5.3. MD DPD Policy DM27 (Heritage and the historic environment) development will be required to protect and enhance the borough's heritage assets and their significance as key elements of developing the sense of place of the borough's distinctive 'places'. It also states that applications for alteration or extension within a heritage asset will only be approved where it does not result in an adverse impact on the character, fabric or identity of the heritage asset or its setting; it is appropriate in terms of design, scale, form, detailing

and materials in its local context; and it enhances or better reveals the significance of the asset or its setting.

- 2.5.4. In the context of development in conservation areas, the above policies are supported by the Conservation Area Character Appraisals and Management Guidelines (CACAAMG). These documents are a useful tool that describe the special interest of each of the boroughs conservation areas and provide a greater understanding and articulation of their special character and appearance. As adopted documents, they are a material consideration in the determination of planning applications.

3. IDENTIFICATION AND ASSESSMENT OF HARM

3.1. Harm to conservation areas

- 3.1.1. To assess harm to a designated heritage asset it is first necessary to consider its significance. Annex 2 (Glossary) of the NPPF defines 'significance' as:

“The value of a heritage asset to this and future generations because of its heritage interest. That interest may be archaeological, architectural, artistic or historic. Significance derives not only from a heritage asset’s physical presence, but also from its setting.”

- 3.1.2. Historic England’s guidance document *Conservation Principles (2008)*, which is aimed at supporting the quality of decision making, identifies four types of heritage value that an asset may hold: aesthetic, communal, historic and evidential value. These values can be considered as another way of analysing the significance, and can help in deciding the most efficient and effective way of managing the heritage asset so as to sustain its overall value to society.
- 3.1.3. In the case of conservation areas, their significance derives from their special character and appearance. They are *areas* of special interest, that is, the significance is not found in one single building or view but in the sum of their parts.
- 3.1.4. The Driffield Road and Medway conservation areas possess aesthetic value in the rhythm and uniformity of the homogenous layout of streets, as well as the variety of ornamental detail. Their communal value derives from the fact that the physical fabric of the conservation areas has provided a backdrop for resident’s lives over many years and features in community memories. The way that the conservation areas can be seen to

have developed over time demonstrates their historical value. The evidential value of the conservation areas comes from the way that they yield evidence about past human activity. For example, the name and dates plaques that allow you to identify the design details of a particular time, such as decorative ironwork or the details of the roof structure.

- 3.1.5. To explore the impact on the significance of the Driffield Road and Medway conservation areas in more detail, an appraisal of all the main character elements has been carried out. The main character elements appraised are those set out in the draft refreshed versions of the character appraisals documents, which provide the most up-to-date assessment of the character of the conservation areas. Whilst this appraisal is not an exhaustive examination of the character, it does, nonetheless, address the main elements that may be affected by the addition of mansard roofs to buildings in the conservation areas.
- 3.1.6. The appraisal is presented in Table 1, with each character element considered in terms of the degree to which they may be affected by the addition of roof extensions to properties in the conservation areas. The assessment has been carried out on the basis that the roof extension would be in the form of the least harmful option presented in the Draft Character Appraisals and Management Guidelines (Option1 Revision A: double pitched mansard with 300mm setback). The similarities between the character of the two conservation areas, which sit either side of Roman Road and are in parts contiguous, is such that it is appropriate to consider them together in one table.
- 3.1.7. Each character element has been assessed in terms of its sensitivity, significance, degree of change and the overall effect of this change.
- 3.1.8. Sensitivity is an assessment of the degree to which the character element would be altered by the introduction of a mansard roof. It is categorised as low, medium or high.
- 3.1.9. Significance is the consideration of how important the character element is to the character of the conservation area as a whole, bearing in mind that the designation of the conservation area is to protect its special character and appearance, as opposed to any one particular building. The significance must reflect the consistency of the character element throughout the area, the degree to which there has been any change, the extent to which alteration to that element would impact on the character of the conservation area and the degree to which it might be evident on a quick glance down the street. Significance is expressed as high, medium or low.

3.1.10. The degree of change to which that character element would be subjected, by the introduction of a mansard roof is categorised as major, moderate, minor or none.

Table 1: Assessment of effect of mansard roofs on character elements				
Character element	Sensitivity	Significance	Degree of change	Effect
Small-scale houses	Medium – modest artisan houses were never intended to have a roof storey.	High – a key element of the character is the modesty of the scale of the houses.	Moderate – caused by an additional storey.	Major harm
Consistency of parapet roofline, concealed roof and the horizontal emphasis that this creates	High - this ties groups of properties together, despite the variation in architectural details	High – it has a large impact on street views throughout the conservation area	Major - a mansard roof will interrupt the parapet line, and detract from the horizontality.	Major harm. This may reduce over time as the number of mansards increases and a degree of consistency is once more established.
Valley gutter, expressed on the rear elevation	High - clear indication of the historic London roof	Medium – it is not visible from the public realm, although visible from neighbouring properties	Major – it would result in the loss of the distinctive valley gutter profile	Major harm– can be mitigated to moderate by the retention of the expressed 'V' as demonstrated in the least harmful mansard option
Silhouetted chimneys	High - clear indication of how the houses were lived in historically	Medium - often more visible from the rear of the property	Moderate - chimneys are often removed in the addition of a mansard	Major harm – can be mitigated to moderate by building up the chimneys as part of the mansard proposals

Uniformity	High - despite variations in architectural detail the terraces have an overall feeling of uniformity	High – consistency, regularity and repetition highlighted as important within the appraisals	Major - ad hoc addition will interrupt uniformity	Major harm – potentially reducing over time as more mansard roof extensions are introduced and a degree of uniformity is reinstated.
Historic character	High - terraces appear much as they did historically	High	Moderate - however the change will not obliterate the historic integrity	Moderate
Long views	High	High	Moderate - interruptions to the horizontality and consistency of the parapet line	Moderate harm
View from canal towpath [Driffield Road Conservation Area only]	Medium	Medium	Moderate	Moderate harm - this is a back elevation and substantial alterations are already visible
Materials	Medium	High	Minor	Minor harm - the change to materials is confined to the roof extension and the preferred mansard option uses traditional materials.

Doors and windows	Low	High	None	No effect – or moderate improvement with package of mitigation measures.
Railings	Low	High	None	No effect – or moderate improvement with package of mitigation measures.
Variety of architectural details to include, architectural mouldings, foot scrapers, ironwork on window cills, name and date plaques etc.	Low	High	None – these elements will remain unaltered regardless of what happens at roof level	No effect
Downpipes	High - drainage is currently down the rear of the buildings, the introduction of a mansard will result in the introduction of downpipes on the front elevation	Low	Moderate	Moderate to major harm – but can be limited to moderate harm by careful management.

3.1.11. The appraisal in Table 1 demonstrates that the application of a mansard roof to properties in the Driffied Road and Medway Conservation Areas will, in many instances; result in harm to those elements that are of greatest significance to overall character of those conservation areas. However, the table also recognises that the harm can, to some degree, be mitigated with appropriate detailed designs and a package of mitigation measures might support this.

3.2. The extent of harm

3.2.1. Table 1 presents an assessment of the harm to the significance to the two conservation areas that would arise from the introduction of a more permissive approach to mansard roof extensions. Depending on the number and distribution of mansard roof extensions introduced to the conservation areas, the extent of this harm will vary both spatially and temporally. Harm to some elements of the significance of the conservation areas, such as the increase in scale of the small-houses and the loss of traditional roof structures, would increase as more and more roof extensions are introduced. However, other elements of harm, such as changes to the uniformity of the terraces, and a decline in the consistency of the roofline may improve over time, if the number of mansard roof extensions increases and uniformity is reintroduced.

3.2.2. It is difficult to predict the exact number of residents that will choose to extend their homes in this way, and how these extensions would be distributed across the conservation areas. During a public consultation that took place between July and September 2016 a number of residents advised the Council that they were supportive of a more permissive approach to mansard roof extensions. The number of residents who responded to the public consultation in this way (36 people) is a low proportion of the total number of properties located in these conservation areas (1,535 properties). The reason for this number of responses may be related to the relatively low proportion of owner occupiers in the conservation areas (558 properties out of 1,535). On the other hand, 519 properties in the conservation areas are owned by two registered providers (housing associations). These organisations were also contacted during the public consultation exercise, both choosing to neither support or reject proposals for a more permissive approach to mansard roofs. In addition, neither stated that they had any immediate desire to add roof extensions to their properties. However, one organisation did note that this may enable them to improve the number/choice of homes they were able to offer. It should be noted that the ownership of the registered providers is distributed randomly throughout the conservation areas. As such, if these organisations did choose to add mansard roof extensions to their properties,

this would not in itself introduce any significant degree of uniformity of roof forms to the conservation areas, as it would not generally be possible to extend a whole terrace at one time.

- 3.2.3. In view of the above, it seems likely that the extent of the harm to the conservation areas would be serious, particularly in the short and medium term where it seems likely that only some properties would be extended, resulting in harm to individual character elements, in particular to the parapet line and the overall feeling of uniformity and consistency that the unbroken parapet line gives. It is difficult to foresee a circumstance whereby mansard roof extensions could contribute to a high degree of uniformity in the conservation areas, except perhaps in the very long-term, when many or all of the properties have been extended. Even then, this would require a high-degree of consistency in the design and construction of roof extensions, which cannot be guaranteed by the planning system.

3.3. Other harm

- 3.3.1. The appraisal in Table 1 is based on the assessment of possible impacts of the addition of mansard roofs to properties on the character of the two conservation areas. It should be recognised that the addition of a mansard roof to a property may result in other harmful effects that are not considered here. For example, harm to listed buildings or the setting of listed buildings (albeit that there is only one locally listed building in the two conservation areas), harm to non-designated heritage assets or adverse impacts on residential amenity.
- 3.3.2. Where other potentially harmful effects of proposed mansard roofs are identified, these will need to also be taken into account in the decision making process, including the exercise of any planning balance. Here, however, assessment is carried out without reference to any other effects, so as to understand the baseline degree of harm to the significance of the conservation areas.

3.4. Conclusion on harm

- 3.4.1. Overall the harm that would occur is considered to be less than substantial. As such, it should be weighed against the public benefits of the proposal in accordance with paragraph 134 of the NPPF.
- 3.4.2. The harm to the conservation areas is nonetheless likely to be serious, particularly in the short(0-10yrs) to medium term(10-20yrs). There is, however, a prospect that harm would be lessened in the long-term(over 20yrs) if a new sense of uniformity is established. Although, this is unpredictable and cannot be guaranteed.

4. IDENTIFICATION AND ASSESSMENT OF PUBLIC BENEFITS

4.1. Public benefits

4.1.1. The Government's Planning Practice Guidance (PPG) states that public benefits can be anything that arises from a development that delivers economic, social or environmental progress, as defined by paragraph 7 of the NPPF.

4.1.2. The PPG also states that public benefits may include heritage benefits, such as:

- Sustaining or enhancing the significance of a heritage asset and the contribution of its setting.
- Reducing or removing risks to a heritage asset.
- Securing the optimum viable use of a heritage asset in support of its long-term conservation.

4.2. Public v. private benefits

4.2.1. The PPG is clear that public benefits should flow from the proposed development. They should be of a nature or scale to be of benefit to the public at large and should not just be a private benefit. However, benefits do not always have to be visible or accessible to the public in order to be genuine public benefits.

4.2.2. Private benefits are considered to be those received by an individual or a private business. Private benefits include, but are not limited to, monetary reward. In the case of roof extensions in the Driffield Road and Medway conservation areas; the benefits of increased floor space, and subsequent benefits to family life, are considered to be private benefits. As would be the increased value of the extended property.

4.3. Public benefits potentially gained from mansard roof extensions

4.3.1. Table 2 sets out an assessment of the potential public benefits that may arise from adopting a more permissive approach to mansard roof extensions in the Driffield Road and Medway conservation areas. Table 2 uses the definition of public benefits, as described above, to understand the potential outcomes from allowing mansard roofs and to evaluate the weight that these outcomes can be given in the decision making process.

Table 2: Assessment of benefits potentially arising from mansard roof extensions				
Benefit	Does it deliver economic, social or environmental progress?	Does it flow from the proposed development?	Is it of a nature and scale to benefit the public at large?	What weight should be given to this benefit?
Support social cohesion	Social progress may result through enabling residents to stay in the area, which consequently may support the development of social capital. However, conversely it may also undermine social cohesion by encouraging buy-to-let investment and/or subdivision of family homes.	It is possible that some improvement to social cohesion will flow from the development. However, some residents may have chosen to remain in the area without a roof extension, or may choose to move away despite being able to build one. Some benefit may also be delivered through less harmful forms of development, such as rear and/or basement extensions. Although, some feedback from the public consultations suggests that these alternative forms of	In nature, improved social cohesion would benefit the public. The scale is unknown, individual cases may deliver minimal benefit, but collectively the impact may be greater.	Limited weight can be given to this benefit. Supporting social cohesion would be beneficial to the public, but the degree to which it would be delivered by allowing mansard roof extensions is unknown. Allowing mansard roof extensions may also be detrimental to social cohesion.

		extension are not as effective at creating successful family accommodation.		
Enable façade improvements	Contributing to protecting and enhancing our built and historic environment.	There is no planning mechanism to guarantee that the benefit will be delivered. It may also be delivered without the need for mansard roof extensions.	In nature, improving building facades would benefit the public. The scale is unknown, individual cases may deliver minimal benefit, but collectively the impact may be greater.	Very limited weight can be given to this benefit. Whilst improved facades would benefit the public, there is no planning mechanism to ensure that these are delivered alongside mansard roof extensions.
Create/support jobs	Contributing to building a strong, responsive and competitive economy.	Yes, some jobs for planners, architects and construction workers may be created or supported by the planning design and construction of mansard roofs. Extended family homes may also support home working.	In nature, creating/supporting jobs will benefit the public. The scale is unknown, individual cases may deliver minimal benefit, but collectively the impact may be greater.	Limited weight can be given to this benefit. Some jobs may be supported or created.

- 4.3.2. Table 2 discusses the potential role that mansard roof extensions can play in supporting social cohesion. A number of residents have told the Council, through public meetings and public consultations, that by being able to extend their homes they would be able to better accommodate their expanding families or respond to other personal circumstances. Consequently, they would be able to remain living in the area. This, in turn, may help to support the development of social capital (the connections between people), which is considered to make a positive contribution to a number of aspects of well-being.
- 4.3.3. The Tower Hamlets Partnership's Community Plan [2015] provides long-term vision for the borough, articulating local aspirations, needs and priorities. Under the theme 'A great place to live', this plan recognises the challenges the borough faces from a growing population. In particular, it notes the problems caused by overcrowding and affordability, which can contribute to residents deciding to move out of the borough. To tackle these issues, the Plan recognises the need to improve existing homes, as well as provide new ones. The Plan also identifies the importance of creating a safe and cohesive community where there will be a safer place where people feel safer, get on better together and difference is not seen as a threat, but a core strength of the borough. The Council's Conservation Strategy [2010] also seeks to promote community cohesion, by increasing community pride, ownership and involvement in heritage. As such, the Council, and its partners, recognise the importance of social cohesion, and the role that housing and the historic environment can play in helping to promote it. However, the assessment in Table 2 notes that there remain questions about the degree to which this will be delivered by adopting a more permissive approach to mansard roof extensions.
- 4.3.4. Table 2 also identifies façade improvements and the creation/support of jobs as other potential public benefits that may arise from a more permissive approach to mansard roof extensions. Overall, the assessment in Table 2 demonstrates that only limited weight in the decision making process can be given to the public benefits that may arise from adopting a more permissive approach to mansard roof extensions in the Driffield Road and Medway conservation areas.
- 4.3.5. One way of securing more quantifiable public benefits might be to consider a section 106 Scheme. No consultation has been carried out upon this option.

5. PLANNING BALANCE

5.1. The NPPF test

5.1.1. The assessment carried out in section 3 of this report concludes that adopting a more permissive approach to mansard roof extensions would result in harm to the significance of the Driffield Road and Medway conservation areas. The harm identified is considered to be less than substantial. Consequently, the test set out in paragraph 134 of the NPPF is appropriate to the decision making process in this instance.

5.1.2. Paragraph 134 states that where a development proposal, in this instance adopting a more permissible approach to mansard roofs, will lead to less than substantial harm to the significance of a designated heritage asset, this harm should be weighed against the public benefits of the proposal.

5.2. Relative weight of harm to heritage assets

5.2.1. It is noted above that section 72 of the Planning (Listed Building and Conservation Areas) Act 1990 requires local planning authorities, in exercising their planning functions, to pay special attention to the desirability of preserving or enhancing the character or appearance of Conservation Areas. Judgements by the Court of Appeal and the High Court in *East Northamptonshire v. Secretary of State for Communities and Local Government* [2014] (known as the Barnwell Manor case) and *R (on the application of The Forge Field Society and others) v Sevenoaks District Council* [2014] (known as the Forge Field case) have confirmed that in exercising this statutory duty, decision makers should attach 'considerable importance and weight' to desirability of preserving conservation areas. These decisions also confirm that the need to attach considerable importance and weight should apply even where the harm identified is less than substantial.

5.3. Relative weight of public benefits

5.3.1. An assessment of the potential public benefits arising from adopting a more permissive approach to mansard roof extensions is presented in section 4 of this report. This concludes that although some public benefits may arise, the extent to which they might occur is unquantifiable and may only be given limited weight in the decision making process.

5.4. Conclusion on harm weighed against public benefits

- 5.4.1. In view of the statutory duty to attach considerable importance and weight to the harm to the significance of the Driffield Road and Medway conservation areas, and the limited weight that can be attached to the potential public benefits that would arise, it can be concluded that adopting a more permissive approach to mansard roof extensions would not be compliant with planning policy.

Appendix 6

Equality Analysis Quality Assurance Checklist

EQUALITY ANALYSIS QUALITY ASSURANCE CHECKLIST

Name of 'proposal' and how has it been implemented (proposal can be a policy, service, function, strategy, project, procedure, restructure/savings proposal)	Adoption of the of the revised Conservation Appraisals for Driffield Road and Medway Conservation Areas enabling roof extensions
Directorate / Service	Development and Renewal Strategic Planning – Place Shaping Team
Lead Officer	Sripriya Sudhakar – Team Leader (Place Shaping)
Signed Off By (inc date)	
Summary – to be completed at the end of completing the QA (using Appendix A) (Please provide a summary of the findings of the Quality Assurance checklist. What has happened as a result of the QA? For example, based on the QA a Full EA will be undertaken or, based on the QA a Full EA will not be undertaken as due regard to the nine protected groups is embedded in the proposal and the proposal has low relevance to equalities)	<div style="display: flex; align-items: flex-start;"> <div style="width: 20px; height: 20px; background-color: #00b050; margin-right: 10px;"></div> <div> <p>Proceed with implementation</p> <p>The general appraisals and management guidelines are directed toward the built fabric and will equally affect the community who live within it irrespective of their characteristics; however based upon the findings of the QA checklist a risk of unintentional but indirect discrimination with reference to the Public Sector Equality Duty (part of the Equality Act 2010) was identified.</p> <p>In respect of the revisions that provide general updates to the character appraisals and management guidelines to allow for better management of the conservation area, the policies are addressed at the built fabric and will affect the community who live within it irrespective of their characteristics.</p> <p>If the more flexible approach to mansard roofs being considered was taken forward, there are potential positive advantages to those living within the Driffield Road and Medway Conservation Areas (including those with protected characteristics). These would not be extended to those with protected characteristics in other conservation areas (who could potentially benefit from such a policy to a greater degree or for different reasons than the general public). This is on the basis that the potential benefits generated from roof extensions in conservation areas other than Driffield and Medway would be</p> </div> </div>

considered as of less value when compared against their potential harm to heritage assets without conducting further area specific assessments, thus residents of other conservation areas are disadvantaged and less likely to receive the positive benefits identified in this checklist. As such there is a risk of discrimination against people with protected characteristics who live in conservation areas which will not benefit from the policy (albeit the discrimination would also apply to some degree to those without protected characteristics in other conservation areas as well).

However, whilst they would not be in as favourable policy position, they would still be capable of applying for planning permission for mansards and any equality considerations which supported the need for the development would need to be considered on a case by case basis by the Council

The policy may result in significant harm to designated heritage assets, Medway and Driffield Road Conservation Areas; and would therefore fail to comply with policies SP10, SP12 and DM27 of the local plan and Goals 1, 2, 6 of the Conservation Strategy. Potential public benefits could address the leading objective of the One Vision for Tower Hamlets, Policy SP06 of the Borough's Core Strategy; Goals 3 and 5 of the Conservation Strategy.

It is worth noting that the way in which the Council could seek to secure some of the public benefits that have been identified as possible through a package approach, which might go some way to offsetting the identified harm to the conservation area, has not been fully developed or consulted on. Further work is required if some of these potential public benefits are to be secured in order to fully explore the options and consult on the same. However, this is not considered to have any particular additional relevance to equalities.

The mansard roof policy (if adopted) will result in unconditional private benefit of property value uplift in Driffield and Medway Conservation Areas which would also benefit those with protected characteristics. These benefits would also extend to all those within the conservation areas Driffield Road and Medway Conservation Areas but would not be extended to those in other conservation areas.

On the information available it is not considered that a full EA needs to be undertaken. Whilst the new more flexible approach to mansard roofs being considered has some limited potential to have a positive impact on those with

	<p>protected characteristics living within the Driffield Road and Medway conservation areas these are not considered to be far reaching and there will also be benefits to all those living within these areas, when compared to those living within other conservation areas. On this basis the impacts are considered indirect and an unintended consequence of the change in policy. For those living in other conservation areas, the status quo would be retained and they will be no worse off than they currently are.</p> <p>In order to assess the extent of any positive or negative equality impacts the Council can:</p> <ol style="list-style-type: none"> 1. Set a 5 year monitoring period for the policy implementation in the pilot areas to identify the number and quality of extensions constructed; quantify the public benefits generated in due course. As part of this the Council could seek to assess the positive and negative impacts on those with protected characteristics (although it is recognised below that obtaining the information on this final aspect could be difficult).
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Stage	Checklist Area / Question	Yes / No / Unsure	Comment (If the answer is no/unsure, please ask the question to the SPP Service Manager or nominated equality lead to clarify)
1	Overview of Proposal		
a	Are the outcomes of the proposals clear?	YES	<p>The Council has in place a Conservation Strategy and the Strategy is aligned with the Borough's Core Strategy 2025. The Conservation Strategy contributes to the key priorities of the Tower Hamlets Community Plan 2020. The proposal would have negative impact on significance of heritage assets and therefore would fail to address the following policies of the Local Development Framework :</p> <ul style="list-style-type: none"> - SO22 of the Borough's Core Strategy - SP10, point 2 of the Borough's Core Strategy <p><i>Protect and enhance the following heritage assets and their settings:</i> (...)</p>

			<p><i>Conservation Areas</i> (...) <i>Other buildings and areas that are identified through the Conservation Area Character Appraisals and Management Guidelines</i></p> <ul style="list-style-type: none"> - SP12 (b) of the Borough's Core Strategy <i>Improve, enhance and develop a network of sustainable, connected, well-designed places across the borough through:</i> (...) <i>b) Retaining and respecting the features that contribute to each places' heritage, character and local distinctiveness.</i> - Policy DM27 Heritage and the Historic Environment of the Managing Development Document, in particular paragraph 1: <i>Development will be required to protect and enhance the borough's heritage assets, their setting and their significance as key elements of developing the sense of place of the borough's distinctive 'Places'</i> and point 27.7 supporting DM27 which clarifies that the Council would not allow additional roof storeys (...) <i>where they would harm the significance, specifically the appearance and character, of terraces or groups of buildings where the existing roof line is of predominantly uniform character (...).</i> <p>The proposal would also compromise on addressing the following goals of the Conservation Strategy:</p> <ul style="list-style-type: none"> - Strategy Goal 1: Understanding the significance of the heritage; - Strategy Goal 2: Increasing community pride, ownership and involvement in heritage to promote community cohesion - Strategy Goal 6: Ensuring Effective Protection of the Heritage <p>The policy on mansard roofs being considered would (if adopted) accept the potential harm to the special character of Driffield and Medway conservation areas. Albeit the following potential public benefits were identified which could offset harm to heritage significance to some degree:</p> <ol style="list-style-type: none"> 1. Support social cohesion by enabling families to grow into their homes and not have to move. This has potential to lead to a
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			<p>less transient population, and help people in creating local ties and therefore strengthen community cohesion. However, given the profiling of the types of properties and the number of properties which are owner occupied, there is uncertainty how far these benefits will extend and the resulting social cohesion should not be overstated as a benefit. There is also no guarantee that allowing mansards will lead to those who take advantage of the policy staying in their property long term. The policies have the potential to lead to larger properties within the conservation area, however it must be noted that the changes could also lead to more applications to subdivide properties within the two conservation areas.</p> <p>Social cohesion lies in the heart of the Borough's development framework. <i>The One Tower Hamlets vision is to reduce inequality, promote community cohesion and enable community engagement and leadership by giving people the tools and support to improve their lives.</i></p> <p>2. If a packaged approach was adopted, lead to façade improvements which will itself lead to the improvements in the appearance of the conservation areas. <i>Conservation Strategy Goal Strategy Goal 3: Ensuring effective governance and management of the heritage</i> <i>Conservation Strategy Strategy Goal 5: Improving the condition of the heritage</i></p> <p>3. Create/support jobs through the construction of the mansards. Core Strategy SP06 (1c) 1. <i>Seek to maximise and deliver investment and job creation in the borough, by:</i> (...) c) <i>Ensuring job opportunities are provided in each place in, and at the edge of, town centres.</i></p> <p>In respect of (2) above some public benefits could be secured if a package approach was taken in order to secure (a) works to address issues arising in respect of the dwelling concerned (and its current contribution to the character & appearance of the CA concerned) and (b) some limited off-site contribution which allowed for monitoring of the conservation area and other general</p>
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			<p>improvements. Therefore whilst the development of mansards in isolation would be harmful to the character of the conservation areas for some considerable time the requirements in respect of (a) & (b) above would, at least, mitigate that harm to some degree.</p> <p>All properties suitable for a mansard roof extension would enjoy unconditional private benefit of a price uplift as a result of a more flexible attitude by the Local Planning Authority to the addition of mansard roofs in these areas (this would be regardless of any protected characteristics). There is potential that there could be additional positive benefits which could flow to those with protected characteristics:</p> <ol style="list-style-type: none">1. The potential for those with disabilities or in their later life to make further adaptations to their homes that might not be possible with a smaller dwellings and potentially more room for a live in carer if this was required.2. Potential for those of some races, religions or beliefs who are more inclined to have larger families or live with extended families to be able to stay in their properties longer by extending their homes. <p>These benefits would not extend to those within other conservation areas. It is clear that any positive/negative impact on equalities would be indirect and an unintended consequence of the policy. It should be noted that there is no bar on those with protected characteristics in other conservation areas applying for planning permission for mansard roofs and if applicable the Council would be required to take on board any equality impacts in taking the individual decision. They would, however, not be in the same policy position as those within the conservation areas where the policy was more permissive, and a decision would need to be taken on a case by case basis which would include an individual assessment of the impact of the development on the appearance of the conservation area.</p>
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b	<p>Is it clear who will be or is likely to be affected by what is being proposed (inc service users and staff)?</p> <p>Is there information about the equality profile of those affected?</p>	<p>YES</p> <p>NO</p>	<p>The potential implications of the policy are clear both in respect of the revised character appraisals and guidelines and the flexible approach to mansard roofs. The application of the policy is dependent upon the built fabric, and historic environment rather than upon the characteristics of the community who live within it.</p> <p>Under the Equality Act 2010 the protected characteristics are: age, disability, gender reassignment, marriage/civil partnership, pregnancy/maternity, race, religion or beliefs, and sexual orientation.</p> <p>No accurate equality profiling of those that might be affected has been possible because the conservation areas cross the ward boundaries for which census data is available. As part of the consultation process the Council sent equality monitoring forms to those consulted to request information to assist in obtaining the necessary data (and this was also on line), however, none of these monitoring forms were returned.</p>
2	Monitoring / Collecting Evidence / Data and Consultation		
a	Is there reliable qualitative and quantitative data to support claims made about impacts?	<p>NO-quantitative data</p> <p>YES-qualitative data</p>	<p>As above – there is a lack of profiling or information received in response to the consultation on the exact ways/the extent to which the refusal or approval of a more permissive approach to mansards could impact on those with protected characteristics. Because of the nature of the policy it is clear however, that a more permissive approach may bring benefits to those within the conservation areas concerned which wouldn't be secured if the status quo remains. These have been addressed above.</p> <p>The documents to which may be adopted apply specifically to 2 Conservation Areas: Medway and Driffield. They include:</p> <ol style="list-style-type: none"> 1. Revised Character Appraisal and Management Plan for Driffield Road Conservation area 2. Revised Character Appraisals and Management Plan for Medway Conservation Area.

			<p>The report to Cabinet is supported by:-</p> <ul style="list-style-type: none"> • Summary of Consultation Responses • Methodology for Assessing Harm • Assessment Report - Harm v Public Benefit • Property type and tenure- Driffield Road and Medway <p>They are based on:</p> <ul style="list-style-type: none"> - a survey of the existing fabric with regard to the existing form of roofs and rear extensions; - design work developing options for new extensions with minimum impact on the special character; - an assessment of harm to heritage assets; - an desk top study of public benefits generated by the policy - a series of public consultations conducted by officers.
b	Is there sufficient evidence of local/regional/national research that can inform the analysis?	NO	<p>So far as assessing any impact on the protected characteristics (as set out above) it has been difficult to obtain accurate profiling to inform the analysis. The same is true of any regional or national research. The Council are not aware of any other research or monitoring that has been carried out regionally or nationally in respect of the positive or negative impacts on equalities linked with a permissive approach to mansards.</p> <p>National policy supports the appraisal of conservation areas and the protection and enhancement of their special character and appearance. The London Plan, and the Tower Hamlets Local Plan identify the protection of the historic environment as a goal. The Borough's Conservation Strategy helps to make Tower Hamlets a great place to live, by managing and sustaining the heritage, and thereby reinforcing the distinctive identity and unique sense of place of the Borough.</p>
c	Has a reasonable attempt been made to ensure relevant knowledge and expertise (people, teams and partners) have been involved in the analysis?	YES	<p>The proposals were constructed by conservation officers with expertise in the assessment of the historic environment; supported by external experts specialising in architectural design in a heritage context. Officers sought responses on the equality profile of those responding to consultation, however no responses were received. Policy officers did contact the team who hold the</p>



			census data for the wards, however following discussions it was felt that because the conservation areas crossed ward boundaries and were only parts of wards, any profiling based on wards would not be an accurate basis on which to carry out the analysis.
d	Is there clear evidence of consultation with stakeholders and users from groups affected by the proposal?	YES	Detailed information about the proposal was published on Council's website with clear instructions about the ways feedback could be provided. As identified equality profiling information was sought. Letters were sent to all households within the identified conservation areas and to key stakeholders alerting them to the proposals setting out where more information could be found, officers could be contacted and meetings attended. Three meetings were held in the afternoons and evenings at accessible venues. Information about the proposals and where to find additional information was also advertised in the paper and on the Councils website.
3	Assessing Impact and Analysis		
a	Are there clear links between the sources of evidence (information, data etc) and the interpretation of impact amongst the nine protected characteristics?	NO	The general policy is directed toward the protection of the built fabric and is dependent upon the quality of the townscape, rather than upon the characteristics of the community who live within it. However in respect of a flexible approach to mansard roofs, public benefits generated favour needs of families: couples, children, elderly, including disabled. As above, there is a lack of evidence as to how extensive any impact might be (in terms of the number of people with a protected characteristic which might benefit from the policy), however if a permissive approach is taken it is expected that the impact of the policy would be an indirect positive one for the people that live within the two conservation areas concerned, which has been addressed above.
b	Is there a clear understanding of the way in which proposals applied in the same way can have unequal impact on different groups?	YES	The potential positive benefits to those with protected characteristics within the two conservation areas directly concerned have been set out above. The proposals are applied according to the character of the built environment, not the

			characteristics of residents; albeit the policy may unintentionally discriminate residents of the other conservation areas in the Borough, including nine protected characteristics. Potential benefits generated from roof extensions in conservation areas other than Driffield and Medway would be considered as of less value when compared against their potential harm to heritage assets without conducting further area specific assessments, thus residents of other conservation areas are disadvantaged, including those within protected characteristics (who might benefit to a greater degree or for different reasons than the general public).
4	Mitigation and Improvement Action Plan		
a	Is there an agreed action plan?	YES	The decision to undertake further detailed design guidance to explore further opportunities for mansard roof extensions for family homes in Driffield Road and Medway Conservation Areas was agreed by Cabinet on the 26 July 2016. It is not considered that any mitigation or improvement action plan is necessary in respect of the changes to policy currently being considered. Any impact on equalities would be positive and indirect.
b	Have alternative options been explored	YES	The option to take no action – No change to existing Appraisals – was considered. It was not recommended as the proposed recommendations are strategic, measurable and attainable. Further options exist in terms of approving the revised appraisals outright or in terms of carrying out further work in respect of seeking a package of improvements along with the mansard applications to secure improvements to the appearance of the applicable dwelling within the conservation area, and seeking contributions which would assist in the monitoring of the conservation areas, along with other more general improvements.
5	Quality Assurance and Monitoring		
a	Are there arrangements in place to review or audit the implementation of the proposal?	YES	The implementation of these proposals will be reviewed as part of the review of the Conservation Area Character Appraisals of which they will form a part.
b	Is it clear how the progress will be monitored to track impact across the protected characteristics??	NO	The Council could set a 5 year monitoring period for the policy implementation in the pilot areas to identify the number and

			quality of extensions constructed; quantify the public benefits generated in due course. As part of this the Council could seek to assess the positive and negative impacts on those with protected characteristics (although it is recognised that obtaining the information on this final aspect could be difficult as there is no obligation on applicants to provide this).
6	Reporting Outcomes and Action Plan		
a	Does the executive summary contain sufficient information on the key findings arising from the assessment?	YES	

Appendix A

(Sample) Equality Assessment Criteria

Decision	Action	Risk
As a result of performing the QA checklist, it is evident that due regard is not evidenced in the proposal and / or a risk of discrimination exists (direct, indirect, unintentional or otherwise) to one or more of the nine groups of people who share <i>Protected Characteristics</i> . It is recommended that the proposal be suspended until further work or analysis is performed – via a the Full Equality Analysis template	Suspend – Further Work Required	Red 
As a result of performing the QA checklist, the policy, project or	Proceed with	Green: 

function does not appear to have any adverse effects on people who share <i>Protected Characteristics</i> and no further actions are recommended at this stage.	implementation	
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Appendix 7

Dwelling Type and Tenure – Driffield Road and Medway Conservation Area

Appendix 7- Dwelling type and Tenure data for Medway and Driffield conservation areas

Dwelling Type

Dwelling type	Medway	Driffield
Detached house	20	6
Semi-detached house	35	23
Terraced (including end-terrace) house	393	276
flat in Purpose-built block of flats or tenement	316	146
flat in Part of a converted or shared house (including bed-sits)	142	115
flat In a commercial building	19	38
Caravan or other mobile or temporary structure	0	6
Total*	925	610

Source : 2011 Census table KS401EW

Tenure

tenure	Medway	Driffield
Owned outright	112	104
Owned with a mortgage or loan	178	164
Shared ownership (part owned and part rented)	19	2
Social rented: Rented from council (Local Authority)	106	40
Social rented: Other	266	107
Private rented: Private landlord or letting agency	204	166
Private rented: Other	13	10
Living rent free	14	5
Total*	912	598

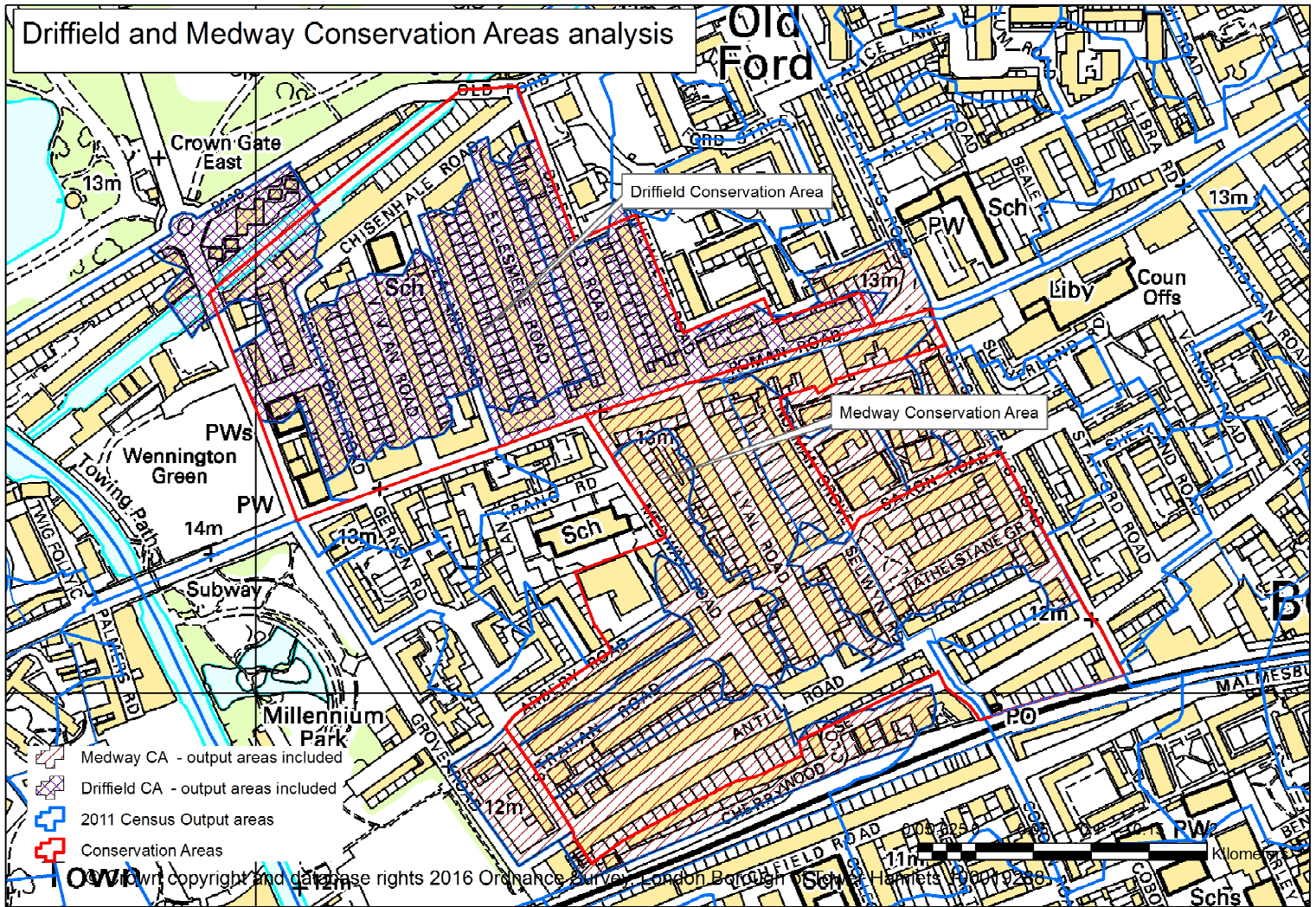
Source: 2011 Census table KS402EW

*Please note that the totals for both tables are not the same as the Tables have slightly different base units

Tenure = households

Dwelling type = household spaces and dwellings

Driffield and Medway Conservation Areas analysis



By virtue of paragraph(s) 1 of Part 1 of Schedule 12A
of the Local Government Act 1972.

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Appendix 9 - Packaged Approach to Mansard Roof Extensions in Driffield Road and Medway Conservation Ares: Timescale for Adoption

Packaged Approach to Mansard Roof Extensions

1.1 There are two ways to manage the ‘*packaged approach*’ to mansard roof extensions and the sections below set out tentative timescale associated with each option.

Option 1a. Integrated approach

1.2 In this approach, mansard roof proposals and additional work to increase the level of public benefits could be approved as a single package at Cabinet.

1.3 In order to do this, additional work is required to establish mechanism for securing additional public benefits, to consult upon this and then bring it back to MAB/CABINET for consideration. Officers propose the following steps and a tentative timescale for Members consideration.

1.	<p>At the 6th December CABINET meeting:</p> <ul style="list-style-type: none"> • Members acknowledge officers recommendation to not progress the proposals for adoption on the 6th December 2016 Cabinet due to lack of significant public benefit to outweigh harm caused by the permissive approach. • Members request officers come back with proposals for securing increased public benefit associated with the proposals for their consideration at a future MAB/CABINET meeting. 	6th December 2016
2.	<p>Officers undertake further work to put together a ‘<i>packaged approach</i>’ to mansard roof extension in the two areas as set out in the CABINET Report. This will involve identifying a set of physical improvements- ‘enhancement works’ in the two conservation areas and a carefully identified sum for financial contributions based on floor area of planning applications for mansard roof extensions.</p> <p>This will involve liaising with the Infrastructure Team and Legal Team and will require independent Counsel advice to ensure contributions and benefits sought are proportionate to the works for which planning permission is sought.</p>	6th December 2016 – 3rd March 2017 (to take into account Christmas break)
3.	<p>Officers to bring the measures identified as part of the packaged approach for mansard roof extension in the two conservation areas to the Mayor for his sign off prior to public consultation for 6 weeks.</p> <p>(proposed timescale assumes that the matter is not required to be presented to DMT, CMT, MAB or CABINET)</p>	6th March 2017
4.	Public consultation – 6 weeks including 2 consultation events to present proposals to residents and stakeholders	13th March 2017 – 23rd April 2017


5.	Summary of consultation responses to ' <i>packaged approach</i> ' and summary of consultation report and any other additional material to support the proposed permissive approach for Members consideration.	14th May 2017
6.	Present the item to MAB for progressing permissive approach to mansard roof extension to Cabinet for adoption. (proposed timescale assumes that the matter is not required to be presented to DMT & CMT)	May 2017
7.	Cabinet adoption of proposals	June 2017

Option 1b- Two-pronged approach

- 1.4 In this option, Members could decide to recommend progression of a permissive approach to mansard roofs in Driffield Road and Medway Conservation Areas for adoption at 6th December 2016 Cabinet. As part of that Cabinet Report, Members could instruct officers to undertake further work to increase the level of public benefits associated with the proposals. The package of measures to increase public benefits could then be brought back to MAB and Cabinet for adoption at a later date.
- 1.5 It is important to note that until such benefits are formally identified, consulted upon and adopted, any planning application for mansard roof extensions in the two areas will be assessed on existing local plan policies. And this means, in the absence of significant public benefits associated with these proposals, isolated mansard roof extension, where not appropriate, will be refused.
- 1.6 Once the mechanism for securing public benefits is established and adopted the *packaged approach* will enable officers to consider mansard roof application more favourably in Driffield Road and Medway Conservation Areas in light of public benefit to mitigate harm to the character and appearance of the two areas.
- 1.7 Officers have set out timescale for such an approach below for Members consideration.

1.	<p>At the 6th December 2016 MAB meeting</p> <ul style="list-style-type: none"> Members support the permissive approach to mansard roof extension in the Driffield and Medway Conservation Areas. Principle of permissive approach to mansard roof extensions in Driffield Road and Medway Conservation Areas is approved At the meeting, Members acknowledge that further work needs to be undertaken to increase the level of public benefit to mitigate harm. 	6th December 2016
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	<ul style="list-style-type: none"> Members request officers to undertake further work to secure additional public benefits to enable mansard roof applications to be considered more favourably in the two areas. Members acknowledge that until the mechanism for securing public benefit is adopted, all applications will be determined on the basis of existing local plan policies and where its considered harmful will be refused due to lack of sufficient public benefit to mitigate harm to the conservation area. 	
3.	<p>Officers to undertake further work to put together a <i>packaged approach</i> to mansard roof extension in Driffield Road and Medway Conservation Areas. This will include identifying a set of physical improvements or '<i>enhancement works</i>' in the two Conservation Areas and a carefully identified sum for financial contributions based on floor area.</p> <p>This will involve contributions from the Infrastructure Team and legal team and we may need to get Counsel advice to ensure our calculations are robust and the sum identified is proportionate to works.</p>	<p>6th December 2016 – 3rd March 2017 (to take into account Christmas break)</p>
4.	<p>Officers to bring the <i>packaged approach</i> for mansard roof extensions in the two areas to the Mayor to seek approval to go out for public consultation for 6 weeks</p> <p>(proposed timescale assumes that the matter is not required to be presented to DMT, CMT, MAB and CABINET)</p>	<p>6th March 2017</p>
6.	<p>Public consultation – 6 weeks</p>	<p>13th March 2017 – 23rd April 2017</p>
7.	<p>Officers to prepare a Summary of consultation responses for a <i>packaged approach</i> and draw together a summary of consultation report and any other additional material to support the proposed approach for adoption.</p>	<p>14th May 2017</p>
6.	<p>Officers to take the '<i>packaged approach</i>' through the Cabinet adoption process. Tentative dates below: DMT – 22nd May 2017 CMT – 6th June 2017 MAB – 27th June 2017 CABINET – 18th July 2017</p>	<p>May- July 2017</p>
7.	<p>Cabinet adoption of proposals</p>	<p>July 2017</p>

Cabinet 6th December 2016	 TOWER HAMLETS
Report of: Aman Dalvi, Corporate Director of Development and Renewal	Classification: Unrestricted
Update report 'Publish area profiles demonstrating commercial concentrations as destinations' and 'Proposal for choice of pilot Town centre(s) project'	

Lead Member	Councillor Joshua Peck, Cabinet Member for Work and Economic Growth
Originating Officer(s)	Melanie Aust, Business and Town Centre Manager
Wards affected	All Wards
Key Decision?	No
Community Plan Theme	A fair and prosperous community

Executive Summary

- 1.1 This report updates on progress and presents recommendations with regard to 2 key actions in the Forward Plan for 2016/17 namely:
- 'Publish area profiles demonstrating commercial concentrations as destinations'
- And
- 'Proposal for choice of pilot Town centre(s) project'.
- 1.2 It has been recognised that town centres and high streets in Tower Hamlets face a range of complex challenges – but also some significant opportunities. A wide range of Council services have the potential to affect either directly or indirectly on the success of centres.
- 1.3 The approach adopted in the development and delivery of the 'Thriving High Streets' project is rooted in a clear and robust analysis of the causes and effects of these challenges, which identifies how town centres and their businesses and communities are best able to capture the opportunities that exist, and which is driven by a collaborative approach across the Council and with delivery partners.
- 1.4 The key drivers for the delivery of the Thriving High Streets project, which contains the Area profiles and the choice of pilot town centre(s) project as key deliverables, are as follows:

- The Mayor's manifesto commitment to improve the Borough's town centres.
- The need for a broad understanding of what makes a successful town centre, which takes into account their multiple social, economic and civic functions
- The need for strategic co-ordination of Council delivery in town centres to ensure that it is joined up and contributes positively to their success and prosperity
- The recommendations of the Overview and Scrutiny Panel review of town centres (April 2015).

1.5 The report updates on progress in developing Area Profiles for 9 District Centres, indicating that further information is required to complete these profiles. It indicates that these profiles, when completed will form the basis of a performance management framework which will be used to assess the current state of health of centres.

1.6 Proposals are made on the expenditure of the revenue and capital resources associated with the Thriving High Streets funding in respect of pilot activities to test out interventions aimed at improving the success of centres.

Recommendations

The Mayor in Cabinet is recommended to

- 1) Note the contents of the draft Area Profiles and key findings (see Appendix 1) and that the performance matrix for all town centres is made available for consideration when available.
- 2) Delegate authority to the Corporate Director Development and Renewal to oversee the completion of these Area Profiles, including the development of the performance matrix and the delivery of digital maps for all Town centres as part of the #Shoptowerhamlets retail promotion project being delivered in November/December 2016.
- 3) Agree to the establishment of local partnerships in identified town centres: – building on the Business Forum in Bethnal Green, the regeneration activity in Whitechapel and developing new partnerships in Roman Road West and Watney Market. These partnerships will take ownership of developing the vision and offer in town centres and of monitoring performance in achieving this vision and the objectives.
- 4) Agree that the pilot proposals identified in 4.2 in respect of revenue funding and 4.3 in respect of capital funding are agreed in principle for the identified town centres.
- 5) Request officers to identify and align complementary projects such as improving Wi-Fi access in town centres, developing cultural trails and potential match funding to maximise the impact of the pilot programme.

- 6) Agree that specific elements of revenue and capital work identified commence – including any procurement activity and/or commissioning activity required, working in partnership with other Council departments and external stakeholders.

1. REASONS FOR THE DECISIONS

- 1.1 The Thriving High Streets project was approved by the Greater London Authority (GLA) in 2015 to be funded from the top-sliced New Homes Bonus funding. The key deliverables of the project include the appointment of the Town Centre team (completed in June 2016), the completion of a Town Centre Strategy (consultancy support procured in July 2016 and Strategy due to be submitted for approval in March 2017), the development of Area Profiles (underway) and the delivery of a pilot programme of activity (to be agreed and procured as required following approval of this report).
- 1.2 Funding for the project is, therefore, subject to the contractual agreement with the GLA (as funding body) that the Council signed in August 2016. Approval of this report and its recommendations will ensure that funds are expended and key deliverables achieved in accordance with this agreement.
- 1.3 The revenue and capital funding associated with the project totals £2.3m. This now requires the formal approval of the Council to meet its Financial Regulations.

2. ALTERNATIVE OPTIONS

- 2.1 Consideration has been given to the scope of the pilot activity and how it should be expended. In order to maximise impact across all key town centres it is proposed that 7 District Centres should benefit from revenue supported activities. For the capital expenditure it is proposed that 3 of 9 areas should be prioritised, where there has not been significant capital spend to date. This should help to develop specific tailored responses to locally identified needs rather than a 'one size fits all' approach across the borough.

3. DETAILS OF REPORT

- 3.1 In December 2014, a report was submitted to MAB which set out the proposed context for a project then entitled 'Healthy High streets'. The approved recommendations were as follows:
- The development of a detailed analysis of the health of town centres and High streets in the Borough to ensure that there is a clear understanding of

the challenges faced by centres in the Borough to inform the design of regeneration interventions and on-going service delivery.

- The development of pilot activity to provide focused implementation of the policy and its recommended key strategic actions in centres.
- The development of a Healthy High streets policy – which is now being delivered as a Town Centre Strategy, which reflects the full breadth of the role of centres.
- The establishment of a Steering Group to oversee implementation of policy and delivery of the pilot initiatives.

3.2 A bid was submitted and approved by the Greater London Authority for the top-sliced NHB funding totaling £2.3m in 2015, which has commenced delivery in 2016 and will be completed in 2018/19.

3.3 This project, which is now retitled 'Thriving High streets' to capture the revised focus of the project on the developing successful town centres, is being delivered in accordance with the GLA funding agreement.

3.4 The policy and delivery context is:

- The Portas Review (2012) – 3 pilots areas were identified in 2012 where the key aim was the promotion of healthy food – Watney Market, Chrisp Street and Roman Road.
- High Street Innovation Fund (2012) – Chrisp Street Market received £100,000 from this funding
- Grimsey Review (2013) – Review called for town centres to be planned as complete community hubs, with retail being only one element involved.
- London Policy framework: the GLA
- London Policy framework – London Council's Streets Ahead
- Local policy framework – LBTH planning policy
- Brick Lane Audit 2014, scoping undertaken by the Brick Lane Officers Working Group
- Roman Road Audit 2014, Roman Road Town centre Manager and associated projects (S106 funded)
- Retail Capacity Study, Retail Strategy and proposals for the Whitechapel Market all completed in 2016
- Carter Jonas Retail Capacity Study – building the evidence base for the Local Plan across all District Centres.

3.5 The Town Centre Strategy has now been procured and the Association of Town Centre Managers (ATCM) and the Retail Group have been appointed to undertake this work. Area Profiles are now being developed for all 9 District Centres in the Borough. This will enable the robust assessment of performance against ATCM key indicators. This report updates on progress in developing these Area Profiles and proposals to pilot a comprehensive range of interventions aimed at improving performance across all the Borough's town centres.

- 3.6 The development of Area Profiles helps to establish the current 'state of health' in the Borough's town centres. The development of a performance management framework will enable a regular assessment of progress against a range of key indicators and the ability to assess the impact of Council activity and involvement.
- 3.7 A Town Centre Strategy Working Group is being brought together to ensure that relevant officers from across the Council are able to oversee the development and delivery of the Town Centre Strategy, the Area Profiles and the pilot programme of activity in town centre/s.
- 3.8 Area profiles have been developed to pull together existing evidence from audits and local experience of the Council's District Centres. This included the evaluation of the Portas pilot activity in Roman Road and Chrisp Street. Audits undertaken in Roman Road and Brick Lane. It will capture the evaluation of Roman Road Town Centre Manager project when this is completed.
- 3.9 This shows the current condition of the Borough's Town centres and their key characteristics. A synopsis of the findings is included at Appendix 1. They highlight performance against specific indicators in the ATCM's national performance framework for town centres as follows:
- 1. People and footfall**
Footfall; Geographical catchment; Access; Car parking; Community spirit
 - 2. Diversity and vitality**
Retail offer; Culture and leisure; Events; Reported crime; Markets
 - 3. Consumer and Business Perception**
Business confidence; Town centre visitor satisfaction; Visitor experience satisfaction; Attractiveness; Crime and safety perceptions
 - 4. Economic characteristics**
Retail sales; Partnership working; Charity shops; Vacant units
- 3.10 There are still some gaps in information around areas such as footfall counts, crime hotspots, business and visitor satisfaction surveys. These gaps are now being filled with support from a number of partner organisations, including the Roman Road Trust, Bethnal Green Business Forum and ATCM/the Retail Group.
- 3.11 The completed output of the Area Profiles will be the creation of a performance rating matrix for the 9 District Centres. This will be attached to the Cabinet report when it has been completed. It is proposed that this matrix will be updated at the end of the project to show progress over the 3 year lifetime of the pilot programme.

- 3.12 During this work we have identified the following:
- Bromley-by-Bow** is the smallest District Centre in the Borough with only 5 businesses around the Tesco superstore and it is not really operating as a District Centre
- Crossharbour** contains only 17 businesses and does not operate as a District Centre. There are redevelopment proposals being developed around the Asda supermarket and this area should be reconsidered in due course.
- Chrisp Street** redevelopment proposals include the market and retail units. Feasibility funding for this is included within the Poplar Riverside Housing Zone initiative.
- Brick Lane** is being taken forward as a separate initiative due to the national and international status of this major visitor attraction in the Borough. S106 funding is currently being sought to take this regeneration project going.
- Roman Road East** is part of a S106 funded project which supports the Roman Road Town Centre Manager and associated projects. This project completes in March 2017. An evaluation study has now been commissioned to determine the way forward for this town centre. Roman Road Trust is now operating as a focal point for business engagement in the area.
- Whitechapel** is part of a major regeneration area and various feasibility studies have been undertaken to identify the opportunities and challenges facing this area. GLA High Street funding is being used to develop new workspace and S106 funding has supported the team and feasibility work.
- Bethnal Green** has not been funded to date. Oxford House has helped to establish a Business Forum for this area.
- Roman Road West** has not been part of a funded scheme. There would be a role for Roman Road Trust in overseeing activity in this area.
- Watney Market** has not been part of a funded scheme. It was identified for inclusion in the Portas pilot and a small pilot was undertaken with a new stall in the market. There is no business focused partnership in this area currently.

- 3.13 From this analysis the following proposals are made with regard to the pilot programme.

The following areas are not included in the pilot programme:

Canary Wharf – This major District Centre is not part of this proposal
Bromley-by-Bow and **Crossharbour** not really operating as District Centres (see Appendix 1 for further information).

There will be limited inclusion of:

Chrisp Street
Brick Lane
Roman Road East
Whitechapel

These District Centres will be fully included:

Bethnal Green
Roman Road West
Watney Market

- 3.14 Work is currently underway to identify any S106 funds or other relevant funding sources available to match fund the NHB funding to increase the impact of the proposed capital element of this programme in the identified areas. There is also alignment with proposed projects e.g. wi fi in town centres, cultural trails to improve the business/visitor experience in town centres.

4. FUNDING FOR THE THRIVING HIGH STREETS PROJECT

- 4.1 The NHB funding available for the pilot programme is as shown in the table below:

Costs (revenue)	2016/17	2017/18	2018/19	All Years
Project manager	£50,758	£51,773	£52,809	£155,340
Project officer	£41,551	£42,382	£43,230	£127,163
Admin (whole programme %)	£13,947	£16,914	£41,094	£71,955
Street market support initiative	£6,667	£26,667	£26,667	£60,000
Business support and training	£30,469	£121,876	£121,876	£274,220
Targeted enforcement action	£13,889	£55,556	£55,556	£125,000
Town centre events	£13,333	£53,333	£53,333	£120,000
Vacant shops	£17,785	£71,142	£71,142	£160,069
Marketing, branding and communications	£11,111	£44,444	£44,444	£100,000
Town centre audits: baseline and evaluation	£50,000	£0	£50,000	£100,000
All costs (revenue)	£249,510	£484,087	£560,150	£1,293,746

	Total	Total	Total	Total All Years
Costs (capital)	2016/17	2017/18	2018/19	
Public realm and shop fronts	£0	£680,000	£320,000	£1,000,000
All costs (capital)	£0	£680,000	£320,000	£1,000,000

All costs (capital and revenue)	£249,510	£1,164,087	£880,150	£2,293,746
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4.2 **Revenue allocation:** It is proposed that the allocation of revenue funding should be made as follows:

Split between 6 District Centres as shown below:

- Salary costs of key staff and administration
- Town Centre Strategy development will cost £50,000
- Partnership development in 4 District Centres – Bethnal Green, Roman Road West, Watney Market and Whitechapel (undertaken by Town Centre team)
- Piloting new approaches to improve footfall in 4 District Centres – Bethnal Green, Roman Road West, Watney Market and Whitechapel.
- Trialling new approaches to enforcement in 6 District Centres -Bethnal Green, Chrisp Street, Roman Road East and West, Watney Market, Whitechapel and Brick Lane
- Supporting markets in pilot new approaches - Watney Market/Bethnal Green/Roman Road West
- Piloting innovative approaches to vacant units e.g. pop up shops, meanwhile uses, trial trading - Watney Market, Bethnal Green, Roman Road West
- Events programme for all District Centres and creation of digital maps (building on the approved #Shoptowerhamlets project)
- Tailored business support activity provided to all 6 District Centres (working with Enterprise team)
- Marketing and communications programme to promote the initiative in areas identified - across all 6 District Centres
- Audits and evaluation using ATCM key indicators – baseline and final assessments.

4.3 **Capital allocation:** It is proposed that the capital funding will concentrate on, where there has not been major capital investment to date:

Bethnal Green
Roman Road West
Watney Market

- Procurement of consultants to undertake feasibility studies and develop proposals for Shop front Improvements and Public Realm improvements which will include improving the Markets, bringing vacant units back into use, improving shopfronts, wayfinding, signage and cultural links for Bethnal Green, Roman Road West and Watney Market.
- Detailed design of improvements and public realm upgrade in 3 District Centres
- Delivery of programme across the 3 District Centres.

5. KEY OUTCOMES FOR THE THRIVING HIGH STREETS NHB FUNDING

Key outcomes for the NHB funding were included in the approved funding bid as follows:

2000m² new/improved public realm
50 SMEs supported
100 SMEs engaged in town centre activities
6 town centre events held
1 high street/town centre partnership established and/or supported
Improvement in performance of pilot areas against agreed healthy high street indicators
Improved coordination of mainstream service delivery in pilot areas

6. COMMENTS OF THE CHIEF FINANCE OFFICER

6.1 In 2015/16 New Homes Bonus funding for London boroughs was top-sliced in order to fund Local Enterprise Partnership (LEP) priorities via the Greater London Authority (GLA). As a result, Tower Hamlets' New Homes Bonus allocation was reduced by £7 million. Following a bidding process managed by London Councils, the authority was successful in securing this £7 million back and spending plans have been agreed by the GLA.

6.2 The approved schemes are designed to encourage local enterprise in the borough, support local businesses and improve employment opportunities for residents. The allocation of £7 million is for a programme of projects as follows:

Project	£
Healthy High streets Pilot Programme - Revenue	1,293,746
Healthy High streets Pilot Programme - Capital	1,000,000
Supply Tower Hamlets	1,321,110
New Enterprise Support	1,215,752
Retail Marketing Support	555,825
Tower Hamlets Growth Sectors	340,161
Working Start - Integrated Employment Programme	978,685
Parental Engagement ILM Programme	315,749
	7,021,028

6.3 The authority will be required to report progress on each of these initiatives to the LEP at regular intervals and release of funding will be linked to agreed milestones.

6.4 This report is concerned with the Healthy High streets pilot programme element which has a budget allocation totalling £2,293,746 of which

£1,000,000 is earmarked for capital projects. The report proposes that the revenue and capital works identified in the table in paragraph 3.8 commence as soon as possible. It should be noted that, in accordance with the council's Financial Regulations, any capital projects must be incorporated into the council's adopted capital programme before expenditure can be incurred.

- 6.5 The capital projects are not programmed to commence until the 2017-18 financial year so approval for inclusion in the capital programme will be sought as part of the budget reports considered by full Council in February 2017 and will be reflected in the development of the council's Capital Strategy. The approval of the Commissioners may also be necessary in relation to any project funding that is allocated to external bodies.

7. LEGAL COMMENTS

- 7.1 This report updates on progress in developing these Area Profiles and proposals to pilot a comprehensive range of interventions aimed at improving performance across all the Borough's town centres.
- 7.2 As to the commencement of revenue and capital works, in accordance with Financial Regulations, any capital projects must be incorporated into the Council's adopted capital programme before expenditure can be incurred. These will therefore have to be incorporated into the Council's Budget Reports.
- 7.3 As to delegation of Authority, the Mayor has the power to delegate any Executive Function, including a key decision, to officers.
- 7.4 When making decisions, the Council must have due regard to the need to eliminate unlawful conduct under the Equality Act 2010, the need to advance equality of opportunity and the need to foster good relations between persons who share a protected characteristic and those who do not (the public sector equality duty). A proportionate level of equality analysis is required to discharge the duty.

8. ONE TOWER HAMLETS CONSIDERATIONS

- 8.1 The recommendations in the report will enable the development and delivery of performance management arrangements for town centres, which are managed and monitored by local partnerships. The Area Profiles that has been developed for 9 District Centres to capture information on the local population and users of the area. The pilot programme of activity will take into consideration the impact on those with young children, disabilities and the elderly in particular. The aim of the regeneration activity is to improve the area and to enable local people, visitors and other users to access and use the facilities offered in town centres effectively. The development of local partnerships will enable local people to get involved in developing the vision for their areas and setting aims and objectives

9. BEST VALUE (BV) IMPLICATIONS

- 9.1 The report proposes that pilot activities should be approved. These will be procured using the Council's agreed procurement processes to ensure that best value is obtained.

10. SUSTAINABLE ACTION FOR A GREENER ENVIRONMENT

- 10.1 The pilot activities include elements that will impact on a greener environment, including public realm improvements. All such activities will be undertaken with due regard to the Council's policies and procedures and with consultation and support of relevant Council officers.

11. RISK MANAGEMENT IMPLICATIONS

- 11.1 A risk management plan will be developed for the delivery programme in respect of the pilot projects. This will identify any risks associated with delivery and action required to mitigate the impact of any risks emerging from this analysis.

12. CRIME AND DISORDER REDUCTION IMPLICATIONS

- 12.1 The development of proposals for town centres will include an analysis of crime statistics. These will be used to discuss and agree any measures that should be undertaken to reduce Anti-social behaviour and low level crime.

13. SAFEGUARDING IMPLICATIONS

- 13.1 There are no safeguarding implications attaching to this report.

Linked Reports, Appendices and Background Documents

Linked Report

- Briefing Paper for Mayor's Advisory Board 17th December 2014
- Overview and Scrutiny Panel Review of Town Centres – recommendations May 2015

Appendices

- Appendix 1 – Key findings from Area Profiles

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

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

Officer contact details for documents:

Melanie Aust, Business and Town Centre Manager, Economic Development
(ext.6580)

Key findings from Area Profiles**Bethnal Green**

The south side of Bethnal Green Road has a popular street market and shops. The north side has a Tesco Metro. These are both busy areas for footfall and there is major congestion around the market stalls that back onto the road. There is scope for improving the market offer and improving the appearance of shops. This would need to include resolving the congestion along the pavements between stalls and shops. The area has a mixture of independent and multiple chains alongside restaurants and cafes. . The retail offer mainly attracts local customers and there is potential for diversification to attract new visitors. The area is well served by public transport, but signage and way finding would help visitors to locate the market and local retail offer. There are a number of vacant units in the area that need to be investigated and occupied if possible.

Brick Lane

Major visitor destination and night time venue. Area is being affected by some major changes to the composition of the retail and leisure offer locally. In the south end of Brick Lane, a number of the Indian restaurants are struggling to attract clientele and are closing down. Clubs and drinking venues have also closed down, reducing the number of late night visitors to Brick Lane. New cafes and restaurants and high end fashion outlets are starting to take their place in the north end of Brick Lane. It has a very successful Sunday market which attracts people into the area, but only operates on this one day of the week in the top end of Brick Lane. There is still a large Bangladeshi community living in the area. However, this demography is starting to change with more young professionals and students moving into the area. It suffers from a large amount of anti-social behaviour and drug dealing. The public realm has been improved recently, but cleanliness and rubbish collection remain local problems.

Bromley-by-Bow

This area consists of the Tesco superstore, the petrol station, a rent-a-car company and the underground station. The underground station is separated from the other businesses by the A12, which forms a significant barrier to attracting users. The majority of users of the Tesco superstore are in cars and come from across East London. At the current time it is not operating as a District Centre.

Chrip Street

This area contains 149 businesses and 100 market stall pitches operating Monday to Saturday. The retail offer mostly serves a local customer base. However, Poplar HARCA, who manages the area, have been piloting a number of new approaches including a new business support centre and developing new entrepreneurs to establish and grow. This has been funded by the GLA's High Street fund and from LBTH. There are proposals for major regeneration in the area, which encompasses the retail and market offer. It is intended that these units will remain operational while the major works are underway.

Crossharbour

There are 17 businesses operating in this area including the Asda superstore, a pharmacy, health centre and retail and leisure uses. The retail offer serves both local residents and car owning shoppers in the Asda. The demography of the area is changing, with the proximity of the area to good transport links. It is younger and more ethnically mixed. There are major redevelopment proposals being developed for the area around the Asda superstore. These include a number of new residential units, which would bring new people into the area. It is proposed that this area should be reassessed when these proposals are more developed.

Roman Road East

This encompasses the area with the market and shops in the east and shops in the west. The junction with St Stephens Road is very congested and noise pollution is a potential problem. It is difficult for pedestrians to cross the road to and from the market. There is poor public transport accessibility – Bow Road and Mile End underground stations are a 15 minute walk away. Internet access is limited. There are low levels of passing trade. There is not enough parking locally. There are very few national multiples in the area. There appears to be a large number of retailers selling women's clothing. The vacancy rate is above the UK national average, which suggests that the centre is not performing as well as it could.

Roman Road West

This area contains 121 local businesses and 28 market pitches on Globe Town Market Square. Transport access to the area relatively good –Bethnal Green underground station is nearby and buses pass along Roman Road. Footfall is generally low, although traffic is busy along Roman Road, and is heaviest around Market Square which contains a number of multiple chains and has the Buddhist Centre across the road. However, the market is under performing and there is potential for extending the use of the market. There is a changing demography locally.

Watney Market


This area contains a high performing market and retail units, which mainly serve the local population. There are 115 businesses in the area, mainly independent retailers, cafes and restaurants. The market operates next to the IDEA Store, which attracts good footfall into the area. Products sold in local shops and market stalls are particularly aimed at Bangladeshi customers including traditional Bangladeshi clothing, food stuffs and also general household products. There are large multiples on Commercial Road in close proximity to Watney Market. The area is well served by local transport links, but there is limited car parking near-by and way finding is difficult e.g. from the station to the market. Anti-social behaviour is high in the area. Demographics are changing locally with new developments in the local area..

Whitechapel

This area is going through a period of rapid change with Crossrail opening in 2018, the Council moving its Civic Centre to the area in 2020 and new developments underway e.g. Sainsburys, Transport for London, NHS and Queen Mary University London. This will mean a changing demographic in the area going forward. It contains 122 businesses and 116 market stalls. The market serves a mainly local Bangladeshi population in terms of food, clothing and goods on offer. The market

operates Monday to Saturday along the north side of Whitechapel Road. There is good footfall in the area with commuters, visitors and staff from the Royal London Hospital and to the IDEA Store coming and going through the area. While there are good transport links in this area, it does suffer from noise and traffic pollution. Anti-social behaviour levels are high in the area.

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<p>Cabinet Decision</p> <p>6th December 2016</p>	 <p>TOWER HAMLETS</p>
<p>Report of: Development and Renewal</p>	<p>Classification: Unrestricted</p>
<p>Approval of the allocation of S106 funding to projects:</p> <ul style="list-style-type: none"> a) Hackney Wick Station Improvements b) Brick Lane Regeneration c) TfL Commercial Road A13 and Watney Market Urban Realm and Safety Improvements 	

<p>Lead Member(s)</p>	<p><u>Covering Cabinet Report</u> Councillor Rachel Blake, Cabinet Member for Strategic Development</p> <p><u>Project Initiation Documents:</u> Councillor Rachel Blake, Cabinet Member for Strategic Development Councillor Joshua Peck, Cabinet Member for Work and Economic Growth</p>
<p>Originating Officer(s)</p>	<p><u>Covering Cabinet Report</u> Owen Whalley</p> <p><u>Hackney Wick Station Improvements Project Initiation Document:</u> Owen Whalley</p> <p><u>Brick Lane Regeneration Project Initiation Document:</u> Andy Scott</p> <p><u>TfL Commercial Road A13 and Watney Market Urban Realm and Safety Improvements Project Initiation Document:</u> Owen Whalley</p>
<p>Wards affected</p>	<p>Multiple Wards</p>
<p>Key Decision?</p>	<p>Yes</p>
<p>Community Plan Theme</p>	<p>A Great Place to Live; A Fair and Prosperous Community; A Safe and Cohesive Community</p>

1. EXECUTIVE SUMMARY

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

1. Approve the allocation for £2,380,080 of Section 106 (S106) funding to projects set out in three Project Initiation Documents (PIDs) that are attached

to this Cabinet Report;

2. Adopt Capital Budgets for the three projects described in this document and the attached PIDs and incorporate them into the Council's capital programme;
3. Approve entering into a funding agreement with the London Legacy Development Corporation (LLDC) for the Hackney Wick Station improvements project.

1.2 The projects to which this document relates can be summarised as follows:

- a) **Hackney Wick Station Improvements**: This project involves the Council providing £1million in funding to the London Legacy Development Corporation (LLDC) to contribute towards the provision of a £27.5m project. The station improvements are fundamental to the proposed Hackney Wick Central Masterplan, and seek to create inclusive access by removing the poor quality access ramps, and providing stairs and lifts to both sides of the station, which will be linked via a new subway. The subway will also have a public side to deliver more direct and safer connectivity through the previously inaccessible rail embankment, linking the development areas of the proposed Hackney Wick neighbourhood centre. The Council would be required to enter into a funding agreement with the LLDC.
- b) **Regenerating Brick Lane**: This project involves the expenditure of £985,279 of S106 funding on revenue and capital items to deliver a holistic regeneration programme for the Brick Lane area including linking Brick Lane with other major visitor attractions in the vicinity, and developing cultural trails and activities to increase footfall. Two phases are proposed – phase one involves feasibility/consultation, and the creation of a local partnership bringing together businesses, residents and local groups to agree an Improvement Plan; while phase 2 involves the delivery of the projects in light of the outcomes of phase 1.
- c) **TfL Commercial Road A13 and Watney Market Urban Realm and Safety Improvements**: The project involves the provision of £394,800 of S106 funding collected by the Council on TfL's behalf onto TfL. As part of Transport for London's Road Modernisation Plan, TfL is looking to improve safety, journey time reliability and the public realm on Commercial Road between New Road and Jubilee Street. There has been a higher rate of reported collisions along this stretch of road compared to similar roads in London, particularly involving pedestrians, cyclists and motorcyclists. TfL is therefore delivering a scheme designed to reduce the number of collisions involving these vulnerable road users.

1.3 Table 1 below sets out the amount requested for each of the projects highlighted in 1.3, including the source of requested funding related to CIL and S106. Table 2 sets out the projects and amounts that require capital budgets to be adopted.

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

Project Title	Amounts		
	Overall Request	S.106	CIL
Hackney Wick Station Improvements	£1,000,000	£1,000,000	-
Regenerating Brick Lane	£985,280	£985,280	-
TfL Commercial Road A13 and Watney Market Urban Realm and Safety Improvements	£394,800	£394,800	-
Totals	£2,380,080	£2,380,080	£0

Table 2: Adoption of Capital Budget > Requested Amounts

Project Title	Amounts	
	Overall Request	Adoption of Capital Budget > Request Amount
Hackney Wick Station Improvements	£1,000,000	£1,000,000
Regenerating Brick Lane	£985,280	£589,000
TfL Commercial Road A13 and Watney Market Urban Realm and Safety Improvements	£394,800	£394,800
Totals	£2,380,080	£1,983,800

RECOMMENDATIONS

1.4

The Mayor in Ca

is recommended to:

1. Approve the allocation of £2,380,080 of S106 funding to the projects set out in Table 1 and profiled in the Project Initiation Documents attached at Appendices A to C and as set out below:

- a) Hackney Wick Station Improvements: **£1,000,000**
- b) Regenerating Brick Lane: **£985,280**
- c) TfL Commercial Road A13 and Watney Market Urban Realm and Safety Improvements: **£394,800**

2. Approve the adoption of capital budgets in respect of the projects set out in the three PIDs and incorporate them into the Council's capital programme. The capital budgets equate to:

- a) Hackney Wick Station Improvements: **£1,000,000**
- b) Regenerating Brick Lane: **£589,000**
- c) TfL Commercial Road A13 and Watney Market Urban Realm and Safety Improvements: **£394,800**

3. Approve entering into a funding agreement within the London Legacy Development Corporation (LLDC) for the Hackney Wick Station improvements project.

1.5

If it

is not considered appropriate to approve the allocation of S106 funding to all of the projects described in the attached PIDs, then approvals can be made in respect of any of the individual projects. In addition, capital budgets can also be adopted in respect of any of the individual relevant projects/PIDs.

2. REASONS FOR THE DECISIONS

2.1 Approval is sought to deliver these projects for the following reasons:

1. They help contribute to the delivery of positive improvements to people's lives that will underpin the Community Plan themes of:

- A Great Place to Live;
- A Fair and Prosperous Community;
- A Safe and Cohesive Community.

2. They will improve the public realm, accessibility, and wellbeing of residents and workers; improve economic activity, and employment and enterprise opportunities, as well as overall levels of public participation.

2.2 Please refer to the attached Project Initiation Documents (PIDs) for more information about the projects.

3. ALTERNATIVE OPTIONS

3.1 The projects within the attached PIDs can be individually or collectively approved. The only alternative option is to not allocate the funding to some or any of these projects. It should be noted that, with regard to the 'TfL Commercial Road A13 and Watney Market Urban Realm and Safety Improvements' project, the funding intended to be used was collected by the Council on behalf of TfL so this funding will need to be provided onto TfL in any event.

3.2 It should be noted that the use of S106 funding proposed for allocation in this report is restricted, as it must be spent in accordance with the terms and conditions of its expenditure pertaining to a specific S106 agreement related to the development from which it originates. This may restrict the spend of S106 funding for certain infrastructure types or projects and also by the geographic location of the project.

3.3 Any alternative spend of this funding would have to be on the projects that would meet the requirements of the relevant S106 agreement.

4. BACKGROUND

S106

4.1 S106 of the Town and Country Planning Act 1990 allows a Local Planning Authority (LPA) to enter into a legally-binding agreement or planning obligation with a developer over a related issue. Planning obligations / S106 agreements are legal agreements, negotiated between a LPA and a developer, with the intention of making acceptable development which would otherwise be unacceptable in planning terms.

4.2 S106 planning obligations must be spent in accordance with the agreement to which they relate. The contributions secured in S106 agreements are usually tied to the need to provide a certain type of project in a defined location.

PIDS

- 4.3 The background to the projects is provided below. For further information on the projects described in this report it is necessary to consult the PIDs attached at Appendices A to C.

Hackney Wick Station Improvements (PID attached at Appendix A)

- 4.4 The proposed station improvements are fundamental to the proposed Hackney Wick Central Masterplan, which has been structured around the station redevelopment. The delivery of the station improvements will not be possible once surrounding development has been completed, due to the staging sites required for construction on either side of the railway. Network Rail will deliver the project on behalf of LLDC as it is their railway asset, and the timetable for delivery is anchored on the proposed rail possessions over Easter 2017.
- 4.5 Planning consent was granted on 23rd September 2014, and the consented scheme envisages a new ticket office and gate-line relocated from the platform to ground floor level in the south (LB Tower Hamlets), to give an appropriately sized, high quality new public realm approach and station entrance facilities, as required by the station operators. Within the new underpass, the concrete finish is left exposed and a glazed wall separating the paid/ticketed side and the public route will be designed and lit to ensure a safe environment for users.
- 4.6 The new station approach to the south will be completed as part of the project and a new approach to the north will be completed when the neighbouring consented Groveworld redevelopment progresses. Once the neighbourhood centre is completed, the route will create a link through from White Post Lane to Wallis Road and create a more direct access to Queen Elizabeth Olympic Park and Here East.
- 4.7 The station improvements will create inclusive access by removing the poor quality access ramps and providing stairs and lifts to both sides of the station which will be linked via a new subway. The subway will also have a public side to deliver more direct and safer connectivity through the previously inaccessible rail embankment, linking the development areas of the proposed Hackney Wick neighbourhood centre.
- 4.8 The project will support the delivery of significant numbers of new homes; approximately 1,600 in the neighbourhood centre alone, and approximately 10,000 new homes across the wider Hackney Wick and Fish Island area. Alongside this, employment space will be delivered.
- 4.9 The £1million that has been ring-fenced for this project is legacy money from the London Thames Gateway Development Corporation (LTGDC). As such, the money must be spent on the provision of infrastructure within the former LTGDC boundary. This limits the opportunities for the money to be spent.

- 4.10 The investment of £1million would go towards the delivery of £27.5 million worth of station improvements at Hackney Wick Station. As such, the project is considered value for money. Furthermore, the station improvements have been identified as having relatively high importance in other strategically important documents including the following:
- LBTH Infrastructure Delivery Board Evidence Base, a document which has been prepared to support the LBTH Infrastructure Delivery Framework decision making process and in particular the allocation of CIL and S106 funding;
 - Lower Lea Valley Opportunity Area Planning Framework;
 - Lower Lea Valley Delivery Investment Strategy.
- 4.11 LBTH Transport & Highways are currently in discussion with LLDC about the ongoing maintenance of the public realm component of the project, particularly once LLDC ceases to exist. It is envisaged that LBTH will adopt the public realm within the Tower Hamlets boundary and that LBH will adopt the public realm within the Hackney boundary.
- 4.12 The LLDC has secured funding from various sources towards the project cost, and the Council would need to enter into a funding agreement with the LLDC for the Hackney Wick Station improvements.

Regenerating Brick Lane (PID attached at Appendix B)

- 4.13 This project involves the expenditure of £985,280 of S106 funding on a programme of projects with £589,000 being spent on capital projects. Please note that other projects relating to this programme will likely be brought forward using different funding streams with separate approvals being sought at a later date.
- 4.14 The regeneration of Brick Lane is a manifesto commitment of the Mayor. The Mayor has also made a commitment to develop visions for town centres and high streets in the borough, which includes carrying out a dedicated review of Brick Lane. This project aims to meet that manifesto commitment and the PID identifies the funding requirements to deliver agreed objectives.
- 4.15 Upgrading Brick Lane is essential to regaining its status as an international visitor destination, to increase footfall in the area, and improve economic activity. The proposals will include linking up Brick Lane with other major visitor attractions such as Spitalfields Market and Petticoat Lane. It will also look to develop cultural trails and activities that bring footfall into Brick Lane from cultural facilities such as Rich Mix and Whitechapel Gallery.
- 4.16 The key aim will be to improve Brick Lane – particularly the part south of the Truman Brewery so it returns to:

- A vibrant and diverse local economic centre;
- An important focus for local communities, particularly the Bengali community;
- A major visitor and tourist destination;
- The home of a lively night time economy.

4.17 It is proposed that the regeneration activity should be undertaken in 2 phases. In Phase 1 a small team will be employed to lead the regeneration activity in the area. A number of early win projects have already been scoped that will be delivered in this first phase. Consultation will be undertaken and a local partnership developed bringing businesses and residents and local groups together to agree an Improvement Plan. Feasibility work will be undertaken to identify future capital and revenue expenditure required in the area. This will include looking at the streetscape, public realm, markets, community safety, shop fronts and vacant units. New approaches will be piloted to develop new enterprise and new entrepreneurs in the area including pop up shops, food courts and trial trading. A programme of cultural events will be planned and delivered, commencing with a food festival, Christmas lighting and Christmas events in 2016.

4.18 Phase 2 will be the major delivery phase of the project. A range of capital and revenue improvements will be delivered including upgraded street furniture and festoon lighting. This will also be when the local partnership is supported to take ownership of the Improvement Plan and start to take a leadership role in its delivery. This should ensure that there is continued action in the area when the S106 funding ends. A PID for Phase 2 will be submitted in due course.

4.19 A Town Centre Manager and a Project Manager will be appointed to ensure day to day delivery of the Improvement Plan, undertake consultation with key stakeholders and develop and maintain a local network of interested parties.

TFL Commercial Road A13 and Watney Market Urban Realm and Safety Improvements

4.20 As part of Transport for London's Road Modernisation Plan, TfL is looking to improve safety, journey time reliability and the public realm on Commercial Road between New Road and Jubilee Street. This is a £1.26million project with £394,800 of funding being provided through S106 and £867,500 of funding being provided by TfL.

4.21 This scheme will deliver a new highway layout designed to deliver road safety improvements for all users but with particular emphasis on pedestrian, cyclist and motorcyclist safety as these are the vulnerable road user groups who have experienced the highest number and severity of collisions. There have been

three fatal collisions on this section of Commercial Road (between New Road and Jubilee Street) in the last 3 years. The project will also make improvements to the public realm, providing new trees, pedestrian lighting; improvements to footways, new paving and de-cluttering.

4.22 Commercial Road is also reported to suffer from vehicle congestion, particularly at peak times, and this project will improve the conditions for both bus passengers and vulnerable road users with the specific aim of:

- Improving journey times for bus routes 15, 115 and 135 during the AM and PM peak;
- Reducing general traffic speeds to improve conditions for all vulnerable road users;
- Widening bus lanes to allow cyclists and motorcyclists to pass buses more safely;
- Providing a better pedestrian experience with upgraded footway and priority given to pedestrians at side roads;
- Improving the public realm by reducing clutter and introducing paving and more pleasant environment, particularly around Watney Market.

4.23 These works will directly benefit residents, workers and visitors to the area, and the Goodmans Fields development, which will create an additional 579 new residential units and a 250 bedroom hotel.

4.24 The Council has included borough wide 'Road Safety Improvements' at accident hotspots in its IDF Evidence Base document; and the proposed improvements are further supported by:

- TfL's 'Safe Streets for London';
- The Road Safety Action Plan for London 2020' (2013), which set a new target for London to achieve a 40 % reduction in Killed or Seriously Injured casualties by, 2020 and focuses on improving the safety of vulnerable road users;
- TfL's commitment to their £4Bn 'Road Modernisation Plan', which aims to radically improve the efficiency, safety and reliability of the network; and provide safer, greener and more attractive streets and town centres, while enhancing conditions for cyclists and pedestrians, and tackling the capital's congestion issues.

4.25 TfL have already consulted all local businesses and residents and key stakeholder groups, such as Alliance of British Drivers and confederation of passenger Transport in addition to statutory bodies such as LBTH and the London Fire Brigade. All comments have been considered in the final design of the scheme.

5. COMMENTS OF THE CHIEF FINANCE OFFICER

- 5.1 In accordance with the council's Infrastructure Delivery Framework, this report seeks the approval of the Mayor in Cabinet to allocate Section 106 resources totalling £2,380,080 to three projects:

Hackney Wick Station Improvements Capital: £1,000,000

Regenerating Brick Lane Capital: £ 589,000
Revenue:£ 396,280
Total: £ 985,280

Commercial Road A13 and Watney
Market Urban Realm and Safety
Improvements Capital £ 394,800

- 5.2 The Section 106 funding for the projects has already been received by the council and is derived as follows:

5.2.1 Hackney Wick Station Improvements

The London Thames Gateway Development Corporation (LTGDC) entered into planning obligations and undertakings for the development of the site at Leamouth Peninsula North (City Island) (PA/10/0864). The council has now inherited the responsibility for these Section 106 agreements following the winding up of the LTGDC in October 2012, and the developer is obliged to pay the council £10,558,556 in stage payments as the development scheme progresses - the contribution being 'applied towards the provision of Infrastructure in accordance with the Corporate Infrastructure Delivery Plan'.

To date the council has received £1,008,735 of the stage payments. This report proposes to use £1,000,000 of this sum as a contribution towards the improvement of Hackney Wick Station.

5.2.2 Brick Lane Regeneration

The council has entered into planning obligations and undertakings for the development of three sites as follows:

Central Area Spitalfields Market (PA/11/0602). The Section 106 agreement obliged the developer to pay the council £120,000, with the contribution being 'applied towards the provision of Infrastructure in accordance with the Corporate Infrastructure Delivery Plan'. £161,284.75 has been received by the council (representing the index linked value of the initial sum due) and it is proposed to utilise £41,284.75 of this contribution.

Former Sedgewick Centre (Aldgate Tower) (PA/01/01424). The Section 106 agreement required the developer to pay the council £400,000, with

the contribution being used for various purposes including 'the promotion of the Brick Lane economic regeneration scheme'. The council has received an index linked sum of £566,458, with the application of £406,457.90 proposed.

Land between Brushfield Street, Elder Gardens and Bishopsgate (Bishops Square) (PA/02/0299). The Section 106 agreement obliged the developer to pay the council £8.5 million, with the contribution being earmarked for 'local community improvements'. As set out in the Project Initiation Document (Appendix B), funding of £537,657 remains uncommitted and it is proposed to allocate this to the Brick Lane Regeneration project.

5.2.3 Transport for London – Commercial Road A13 and Watney Market Urban realm and safety Improvements

The council has entered into planning obligations and undertakings for the development of three sites as follows:

Former Goodman's Fields (PA/11/03587). The Section 106 agreement required the developer to pay the council £339,300, with the contribution being a 'TfL Highway Improvements Contribution'.

Goodman's Fields (PA/14/02817). The Section 106 agreement required the developer to pay the council £31,500, with the contribution being a 'TfL Highway Improvements Contribution'.

Land at Commercial Road Basin Approach (PA/12/00925). The Section 106 agreement obliged the developer to pay the council £24,000, with the contribution being used for 'Bus Stop Improvements along Commercial Road'.

- 5.3 A significant element of the Section 106 resources that are held by the council relates to capital projects. The proposed allocation of these funds is undertaken by the Infrastructure Delivery Board and should take place in accordance with the priorities within the council's capital strategy, although certain resources are specific to particular initiatives. In order to undertake Section 106 funded capital schemes, projects must be incorporated into the capital programme and appropriate capital budgets adopted. The approval of capital estimates totalling £1,983,800 is sought in this report.
- 5.4 Section 106 approvals can potentially be determined to be grants which require Commissioner approval under the terms of the Ministerial Direction of 17th December 2014. However in the case of the projects in this report, the Hackney Wick Station Improvements and the Commercial Road and Watney Market scheme are allocations to statutory bodies (the London Legacy Development Corporation and Transport for London respectively) which do not require Commissioner verification. The Brick Lane project is being managed by the council itself and so does not require Commissioner approval unless payments are proposed to be made to external voluntary organisations.

- 5.5 The council will not be liable for any on-going unbudgeted revenue commitments as a result of the recommendations contained in this report.

6. LEGAL COMMENTS

- 6.1 Section 106 Planning Obligations are obligations secured pursuant to section 106 of the Town and Country Planning Act 1990. Such Planning obligations, commonly known as s.106 agreements, are the mechanism whereby development proposals can be made acceptable in planning terms, which would not otherwise be acceptable. They are focused on site-specific mitigation of the impact of development. They can impose financial and non-financial obligations on a person or persons with an interest in the land and become binding on that parcel of land.
- 6.2 The s.106 agreements will specify how the financial obligation is to be utilised.
- 6.3 In this case, all three (3) projects will require the allocation of section 106 funding to either fully fund or to contribute towards the financial costs of the projects. In each case, the allocation of funding is in accordance with s.106 agreements and therefore lawful.
- 6.4 All three (3) projects also require the adoption of a capital budget and as all fall between £250,000 and £1 million then, in accordance with the Council's Financial Regulations, it is for the Mayor in Cabinet to approve. Once capital budgets have been approved they will need to be incorporated into the Council's capital programme.
- 6.5 When making decisions, the Council must have due regard to the need to eliminate unlawful conduct under the Equality Act 2010, the need to advance equality of opportunity and the need to foster good relations between persons who share a protected characteristic and those who do not (the public sector equality duty). A proportionate level of equality analysis is required to discharge the duty and information relevant to this is contained in the One Tower Hamlets section of the report.

7. ONE TOWER HAMLETS CONSIDERATIONS

- 7.1 This report proposes to allocate funding to help deliver infrastructure at a local level. In scoping these infrastructure projects the objectives of One Tower Hamlets and those of the Community Plan have been considered.
- 7.2 It is hoped that these infrastructure projects will contribute to the reduction of inequality and will foster cohesion in the borough.

8. BEST VALUE (BV) IMPLICATIONS

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

9. SUSTAINABLE ACTION FOR A GREENER ENVIRONMENT

9.1 This report seeks the approval of projects, including ones related to pocket parks which will enhance open spaces in the borough. These projects will contribute towards achieving a greener environment.

10. RISK MANAGEMENT IMPLICATIONS

10.1 The risks relating to the delivery of these projects as well as mitigating measures are set out in detail in the attached PIDs.

11. CRIME AND DISORDER REDUCTION IMPLICATIONS

11.1 It is hoped that these projects will improve places in the borough including underutilised spaces, making them less susceptible to crime or disorder and increasing natural surveillance.

12. SAFEGUARDING IMPLICATIONS

12.1 Not applicable.

Linked Reports, Appendices and Background Documents

Linked Report

- None

Appendices

Appendix A: Hackney Wick Station Improvements PID

Appendix B: Regenerating Brick Lane PID

Appendix C: TfL Commercial Road A13 and Watney Market Urban Realm and Safety Improvements PID

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

- None

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PROJECT INITIATION DOCUMENT

(September 2016)

Hackney Wick Station Improvements

Project Initiation Document (PID)

Project Name:	Hackney Wick station Improvements		
Project Start Date:	February 2017	Project End Date:	December 2017
Relevant Heads of Terms:	Infrastructure Planning		
Responsible Directorate:	Development & Renewal		
Project Manager:			
Tel:		Mobile:	
Ward:	Bow East		
Delivery Organisation:	London Legacy Development Corporation		
Funds to be passported to an External Organisation?	Yes		
Does this PID involve awarding a grant? ('Yes', 'No' or 'I don't know')	No		
Supplier:	LLDC		
Does this PID seek the approval for capital expenditure of up to £250,000 using a Recorded Corporate Director's Action (RCDA)? (if 'Yes' please append the draft RCDA form for signing to this PID)	No		
Has this project had approval for capital expenditure through the Capital Programme Budget-Setting process or	No		

through Full Council? ('Yes' or 'No')	
<u>S106</u>	
Amount of S106 required for this project:	£1,000,000
S106 Planning Agreement Number(s):	PA/10/01864
<u>CIL</u>	
Amount of CIL required for this project:	£0
Total CIL/S106 funding sought through this project	£0
Date of Approval:	

Distribution List

Organisation	Name	Title
LBTH – D&R	Aman Dalvi	Corporate Director
LBTH – D&R	Owen Whalley	Service Head – Major Project Development
LBTH – D&R	Chris Holme	Finance, D&R
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LBTH – D&R	Helen Green	S106 Programme Coordinator
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Organisation	Name	Title
LBTH Public Health	Tim Madelin	Senior Public Health Strategist
LBTH ESCW	Pat Watson	Head of Building Development

Related Documents

ID	Document Name	Document Description	File Location
If copies of the related documents are required, contact the Project Manager			

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1.0 Purpose of the Project Initiation Document

1.1 The purpose of this Project Initiation Document (PID) is to:

- Seek approval for funding of £1,000,000 to support the Hackney Wick Station improvements.
- Seek approval to enter into a funding agreement with London Legacy Development Corporation (LLDC) for the Hackney Wick Station improvements.

1.2 S106 funding from one local development has been identified that is appropriate for supporting the redevelopment of the station.

1.3 The station improvements are fundamental to the proposed Hackney Wick Central masterplan which has been structured around the station redevelopment. The delivery of the station improvements will not be possible once surrounding development has been completed, due to the staging sites required for construction on either side of the railway. The timetable for delivery is anchored on the proposed rail possessions over Easter 2017.

2.0 Section 106/CIL Context

Background

2.1 Section 106 (S106) of the Town and Country Planning Act 1990 allows a Local Planning Authority (LPA) to enter into a legally-binding agreement or planning obligation with a developer over a related issue. Planning Obligations / S106 agreements are legal agreements negotiated, between an LPA and a developer, with the intention of making acceptable development which would otherwise be unacceptable in planning terms.

2.2 CIL is a £ per square metre charge on most new development. In April 2015, the council adopted its own CIL Charging Schedule. CIL must be spent on the provision, improvement, replacement, operation or maintenance of infrastructure, where a specific project or type of project is set out in the Council's Regulation 123 List.

S106

- 2.3 In terms of the allocation of S106 funding, this PID is part of the Tower Hamlets Council S106 Delivery Portfolio and is aligned with the agreed Heads of Terms (HoT) for the Deed creating Planning Obligations and undertakings for the development at the site at Leamouth Peninsula North (City Island), London PA/10/01864 dated 28 November 2011. The London Thames Gateway Development Corporation (LTGDC) were, as the then LPA, signatory to the S106.
- 2.4 The LTGDC (also known as the 'Corporation') was established in 2004 with a ten year remit to regenerate two key growth areas of the Thames Gateway, including the Lower Lea Valley and London Riverside. In accordance with the LTGDC Planning Obligations Community Benefit Strategy (2008), a 'standard charge' tariff per dwelling was applied to developments in these areas, based on the estimated cost of infrastructure needed to support the level of development coming forward.
- 2.5 LTGDC ceased to exist on 1st October 2012 and LBTH, as the successor body, has assumed responsibility for existing S106 agreements in place of LTGDC. However, the London Legacy Development Corporation (LLDC) are now the Local Planning Authority for the area and are responsible for the delivery of legacy LTGDC infrastructure to support development in the area.
- 2.6 The above s106 agreement obliged the Developer to pay the Council a 'discounted standard payment' per residential unit, which will comprise the 'Phase 1 Payment' for each residential unit in phase 1 and the 'Phase 2 payment' for each residential unit in phase 2, less the works in kind cost of £3,0242 per each unit in those phases. The development will construct 1706 units; 537 Phase 1, 1,169 phase 2. Therefore the total secured is: £10,558,556. This is paid to the Council in instalments based on 25% commencement/75% occupation of the units.
- 2.7 This payment is to be '*applied towards the provision of Infrastructure in accordance with the Corporate Infrastructure Delivery Plan*'. There is no expiry date for this contribution. The Council has received £1,008,735; £116,376 on 26th Feb 2015 based on commencement of 104 units and £892,359.85 on 22nd July 2016 based on occupations.
- 2.8 It is proposed to use £1,000,000 of this contribution.

CIL

- 2.9 This PID does not seek approval for the expenditure of CIL funding.

3.0 Legal Comments

- 3.1 Legal Services considers that redevelopment of the Hackney Wick Station satisfies the terms of the S106 agreement set out at paragraph 2.7 above.
- 3.2 This PID reflects the various parties' intentions at the time the agreement was entered that the financial contribution would be used to provide infrastructure in accordance with the Corporate Infrastructure Delivery Plan. Such Plan specified that this infrastructure was to be provided in the Lower Lea Valley area and Hackney Wick falls within this geographical area. Section 4.0 of this PID is helpful in explaining the importance of Hackney Wick station to the master plan for this area and how greatly it will improve local infrastructure.
- 3.3 Subject to the above comments, we consider the funding for this PID to be in accordance with the purposes for the contributions under the S106 agreement.
- 3.4 These comments are limited to addressing compliance with the terms of the s106 agreement mentioned above (as based on the information detailed in the PID) and advice on any other legal matters (such as advice on procurement) should be sought separately if appropriate.

4.0 Overview of the Project

- 4.1 The Hackney Wick Station project was originated by the London Thames Gateway Development Corporation (LTGDC) and transferred to LLDC on 1st April 2012. At the time of transfer the project had reached Network Rail GRIP Stage 3 (Option Selection) and comprised the construction of a subway for pedestrians through the railway embankment and the replacement of the southern access ramps by lifts and staircases.
- 4.2 The project underwent significant change through the design development and planning stages. Planning consent was granted on 23rd September 2014.
- 4.3 The consented scheme envisages a new ticket office and gate-line relocated from the platform to ground floor level in the south (LB Tower Hamlets), to give an appropriately sized, high quality new public realm approach and station entrance facilities, as required by the station operators. Within the new underpass, the concrete finish is left exposed and a glazed wall separating the paid/ticketed side and the public route will be designed and lit to ensure a safe environment for users.

- 4.4 The new station approach to the south will be completed as part of the project and a new approach to the north will be completed when the neighbouring consented Groveworld redevelopment progresses. Once the neighbourhood centre is completed, the route will create a link through from White Post Lane to Wallis Road and create a more direct access to Queen Elizabeth Olympic Park and Here East.
- 4.5 The station is central to the proposed masterplan for Hackney Wick Neighbourhood Central, with the scheme structured around the new routes opened up by the station redevelopment. An outline planning application for this masterplan was submitted in April 2016.
- 4.6 Network Rail will deliver the project on behalf of LLDC because it is their railway asset. Rail possessions have been booked for Easter 2017 to enable the cut and cover works to be completed during a 100 hour blockade, when the underpass will be put into place.
- 4.7 Completion of the whole station scheme is anticipated around December 2017, with the neighbourhood centre development commencing thereafter.

5.0 Business Case

- 5.1 The LLDC Infrastructure Delivery Plan (IDP) identifies projects both within and beyond the LLDC boundary, which are required to support proposed development within the LLDC area. The improvements to Hackney Wick Station are identified within the IDP and as such meet the requirements of the S106 agreement.
- 5.2 The Legacy Corporation's Local Plan seeks to promote the creation of a new town centre at Hackney Wick to support the significant anticipated growth within Hackney Wick and Fish Island and the new neighbourhoods of East Wick and Sweetwater. The proposed accessibility improvements and upgrade works to the station will create a new public transport entrance closer to the Park and increase the Public Transport Accessibility Level (PTAL) ratings for the immediate development sites. The upgraded station is key to the masterplan for Hackney Wick Neighbourhood Centre, which has been designed around the new north-south route.
- 5.3 The need to improve Hackney Wick Station has long been recognised in adopted and emerging planning policy and the evidence base to support these. The Olympic Legacy Supplementary Planning Guidance (OLSPG) to the London Plan recognises the importance of an upgraded Hackney Wick Station. The OLSPG: Infrastructure

Delivery Study identifies the upgrade of Hackney Wick Station as a strategic scheme (as part of a wider local station upgrade programme) which directly benefits the OLSPG area and is required to support anticipated growth within the OLSPG area.

- 5.4 Against this policy background, contributions have been made from major developments in and around the Hackney Wick area. The LLDC Legacy Communities Scheme (LCS) agreed a contribution towards a future Hackney Wick station scheme, to be triggered upon occupation of 1000 units across the Park (estimated to be triggered in 2017/18). The S106 Agreement for Here East also included a contribution towards an improved Hackney Wick Station, which has now been paid, and LTGDC Pooled Funds were allocated to the scheme in April 2015 by the PPDT led Project Proposals Group (PPG).
- 5.5 Improving connectivity within the Hackney Wick Sub-Area is identified as an Area priority within the LLDC's Local Plan, and is seen as necessary to help deliver part of the Hackney Wick Neighbourhood Centre. In order to help deliver these improvements, Hackney Wick Station is listed as a project that could be funded through the LLDC's Community Infrastructure Levy (CIL). It is currently anticipated that CIL will be used to contribute towards the project.
- 5.6 The project will support the delivery of significant numbers of new homes; approximately 1,600 in the neighbourhood centre alone, and approximately 10,000 new homes across the wider Hackney Wick and Fish Island area. Alongside this, employment space will be delivered.
- 5.7 The communities which will be served by the new Hackney Wick Station are currently fragmented by infrastructure - rail, roads, waterways - and lack safe and legible local pedestrian and cycle networks. Central to the regeneration and economic growth of this area is a new 'spine' route created by the major new north-south connection integrating the upgraded Hackney Wick Station to proposed new and upgraded bridges and public realm.
- 5.8 Thus the upgrade of Hackney Wick Station is fundamentally the first piece of the jigsaw for this entire regeneration, and all emerging schemes within the immediate area have been designed around the new north-south route and station entrances. This new pedestrian and cycle connection will substantially improve connectivity and permeability between the large development parcels of land currently severed by the railway, and it will also reduce approach distances to the station for the majority of local residents and businesses within Hackney Wick and on the western side of Queen Elizabeth Olympic Park, including key destinations at Here East and the Copper Box Arena. The Hackney Wick Station upgrade project will therefore

perform a key regenerative role, as well as providing much improved facilities for passengers using the station and moving through the area.

- 5.9 Alongside the delivery of new jobs and homes, this infrastructure investment is anticipated to have an upwards impact on property values and incentivise development activity in the area. This will, in turn, be reflected in increased CIL capture which can be re-invested in the area. This direct infrastructure investment will therefore have a long term impact in enabling further development in jobs and homes in the surrounding area.
- 5.10 Hackney Wick and Fish Island distinguishes itself by having the highest concentration of businesses in the Legacy Corporation area: 448 businesses units which equates to 68% of all active businesses in the area. Hackney Wick is occupied by a number of ageing industrial buildings which accommodate a combination of creative businesses and artists alongside more traditional industrial uses. The area benefits from a rich industrial history and locally listed Victorian and other locally important buildings with a continuing economic life. The re-use of some or all these buildings and promoting the economic viability of local businesses are important for delivering job creation and growth as the area undergoes redevelopment and change.
- 5.11 A wide range of economic benefits is expected to accrue to the regional economy as a result of Hackney Wick's redevelopment. This will be through the economic activities undertaken by individual companies and organisations, as well as the additional benefits expected to flow from the clustering of organisations together and alongside other key Queen Elizabeth Olympic Park occupiers, such as Here East.
- 5.12 This project is also identified within a number of other strategically important documents including the following:
- LBTH Infrastructure Delivery Board Evidence Base, a document which has been prepared to support the LBTH Infrastructure Delivery Framework decision making process and in particular the allocation of CIL and S106 funding.
 - Lower Lea Valley Opportunity Area Planning Framework
 - Lower Lea Valley Delivery Investment Strategy

6.0 Approach

- 6.1 Delivery of the project is being undertaken by Network Rail on behalf of LLDC. Governance for Railway Investment Projects (GRIP) describes how Network Rail manages and controls projects through formal stage gate reviews. The stage gate review process examines a project at critical stages in its lifecycle to provide assurance that it can successfully progress to the next stage. Hackney Wick Station has progressed through GRIP Stages 1-5 and currently progressing through stages 6-8 (Delivery and Completion).
- 6.2 Paul Woolford, Project Sponsor for LLDC, will be monitoring the project, attending weekly progress meetings as well as the monthly Project Board. Network Rail will also provide a Department for Transport (DfT) approved report proforma which will also be used to report to the Greater London Authority (GLA).

7.0 Infrastructure Planning Evidence Base

- 7.1 Improvements to public transport services, infrastructure, accessibility and public realm are captured in the Infrastructure Delivery Framework Evidence Base. The upgrading of the Hackney Wick Station access has been identified in the evidence base as being essential for growth, movement and connectivity; and has been ranked as the fourth equal top priority project.

8.0 Opportunity Cost

- 8.1 The £1m S106 funding that has been identified for this project was secured specifically for infrastructure purposes within the former LTGDC boundary. This limits the opportunities for this money to be spent. The funding is also part of a larger contribution that has been collected for infrastructure purposes. One key benefit to the Council in allocating this S106 funding to this project is £27.5m in station improvements for an investment of £1m.

9.0 Deliverables

- 9.1 The station improvements will create inclusive access by removing the poor quality access ramps and providing stairs and lifts to both sides of the station which will be linked via a new subway. The subway will also have a public side to deliver more direct and safer connectivity through the previously inaccessible rail embankment, linking the development areas of the proposed Hackney Wick neighbourhood centre.

- 9.2 The £1 million that has been ringfenced for this project is legacy money from the LTGDC. As such, the money must be spent on the provision of infrastructure within the former LTGDC boundary and which has been identified within the Corporate Infrastructure Delivery Plan. This limits the opportunities for the money to be spent.
- 9.3 The investment of £1 million would go towards the delivery of £27.5 million worth of station improvements at Hackney Wick Station. As such, the project is considered value for money. Furthermore, the station improvements have been identified as having relatively high importance in the Infrastructure Delivery Board Evidence Base.
- 9.4 LBTH Transport & Highways are currently in discussion with LLDC about the ongoing maintenance of the public realm component of the project, particularly once LLDC ceases to exist. It is envisaged that LBTH will adopt the public realm within the Tower Hamlets boundary and that LBH will adopt the public realm within the Hackney boundary.

10.0 Local Employment and Enterprise Opportunity

- 10.1 To provide employment opportunities for the local community and the wider LLDC area, a planning condition was attached to the planning permission requiring a Local Labour Strategy to be developed.
- 10.2 The Local Labour Strategy has since been prepared and approved by the Local Planning Authority. It sets out a number of actions that will be taken to ensure opportunities are given to the local community and wider LLDC area.
- 10.3 The plan sets out a number of actions that will be taken to ensure opportunities are given to the local community including:
- All jobs will be advertised in the borough's job centres;
 - Local labour and business schemes will be notified of job vacancies;
 - All staff will be paid at least the London Living Wage.
 - Recruitment of at least one apprentice to work on the project.
 - Aim to re recruit 25% of the workforce from the local boroughs. Please note that this may not always be possible due to the specific skillset required for the project and will be subject to a skills match.

10.4 To demonstrate compliance with the above, quarterly reports will be submitted to the Local Planning Authority, London Borough of Tower Hamlets and London Borough of Hackney.

11.0 Programme Timeline

11.1 Project Budget

LLDC has secured funding from various sources towards the project cost. This is shown in the table below. The most significant contribution, £8.5m is loan funds from the GLA Growing Places Fund, and will therefore need to be repaid by the LLDC from future CIL money and capital receipts.

11.2 LLDC has already reallocated significant funds from other projects and corporate contingency. All other funds have been exhausted.

Table 1			
Financial Resources			
Description	Amount	Funding Source	Funding (capital/revenue)
Loan funds from GLA	£8.500m	GLA LEP Growing Places Fund Round 2	Capital
ODA S106 contribution for transport projects	£2.895m	OPTEMS	Capital
Pooled funds	£0.400m	Lower Lee Valley	Capital
Pooled funds	£2.391m	London Thames Gateway Development Corporation	Capital
Unex Tower S106 funding approved by PPG 17/12/15	£1.008m	London Thames Gateway Development Corporation	Capital
Here East S106 funding approved by PPG 30/06/15	£1.023m	London Legacy Development Corporation	Capital
Legacy Communities Scheme S106	£4.250m	London Legacy Development Corporation	Capital

Table 1			
Financial Resources			
Description	Amount	Funding Source	Funding (capital/revenue)
Funds from LBH	£1.000m	London Borough of Hackney	Capital
LBTH S106	£1.000m	London Borough of Tower Hamlets	Capital
Regeneration Hackney Wick Neighbourhood Centre/Hackney Wick Fish Island	£0.788m	London Legacy Development Corporation	Capital
Reallocation of LLDC Stratford station funds	£0.632m	London Legacy Development Corporation	Capital
Reallocated Twelve Trees contingency	£0.900m	London Legacy Development Corporation	Capital
Corporate contingency	£2.752m	London Legacy Development Corporation	Capital
Total excluding VAT	£27.539m		

11.3 Financial Profiling

Table 2						
Financial Profiling						
Description	Previous years £m	14/15 £m	15/16 £m	16/17 £m	17/18 £m	Total £m
Capital expenditure						
LLDC direct costs		0.133		0.028		0.161
Network Rail GRIP Process	0.539	0.054	1.503	1.357		3.493
Contractor's cost				9.586	9.188	18.774
Contingency					0.743	0.743
NR Management				0.950	0.650	1.596
NR Fee Fund				0.977		0.977

Industry Risk Fund				0.391		0.391
LLDC Risk Contingency					1.404	1.404
Total expenditure	0.593	0.187	1.503	13.329	11.981	27.539
Income / Funding						
GLA LEP GPF 2				4.313	4.187	8.500
OPTEMS	0.393		1.700	0.802		2.895
LLV Pooled Funds				0.400		0.400
LTGDC Pooled Funds				2.391		2.391
LTGDC S106 Unex Tower				1.008		1.008
LLDC S106 Here East				1.023		1.023
LLDC S106 LCS + RPI					4.250	4.250
LB Hackney				0.500	0.500	1.000
Regeneration HWNC/HWFI				0.588	0.200	0.788
Regeneration Stratford				0.632		0.632
Twelve Trees Contingency				0.900		0.900
LLDC Corporate Contingency				0.272	2.480	2.752
LBTH S106				0.500	0.500	1.000
Total Income	0.393	0.000	1.700	13.329	12.117	27.539

11.4 Outputs/Milestone and Spend Profile

Table 3			
Project Outputs/Milestone and Spend Profile			
ID	Milestone Title	Spend	Delivery Date
1	Temporary ticket office installed	£10.000m	February 2017
2	Demolition of existing ticket office structures	£12.500m	March 2017
3	Rail possession	£16.000m	April 2017
4	Construction of the stair and lift cores	£21.500m	September 2017
5	Construction complete	£27.539m	February 2018
Total		£27.539m	

12. Project Team

12.1 Information regarding the project team is set out below:

- Project Director: Janet Townsend, LLDC
- Project Sponsor: Paul Woolford, LLDC
- Project Manager: Bakker Soolagh, LLDC
- Project Team Members: Network Rail, Volker Fitzpatrick, Landolt Brown and Mott Macdonald

12.2 The project will be constructed by Volker Fitzpatrick, Network Rail's regional

framework contractor. The project director is Janet Townsend from LLDC Development.

12.3 Responsibility for the detailed design of the scheme has been passed to Volker Fitzpatrick as Network Rail’s design and construct regional framework contractor. The design team appointed by LLDC has been novated to Volker Fitzpatrick comprising of Landolt Brown Architects and Mott Macdonald structural and civil engineers.

13. Project Reporting Arrangements

Table 4			
Group	Attendees	Reports/Log	Frequency
Project Board	London Borough of Hackney; London Borough of Tower Hamlets; Greater London Authority; Network Rail; Volker Fitzpatrick LLDC	Progress dashboard	Monthly

14. Quality Statement

14.1 The quality of the design went through LLDC’s Quality Review Panel (QRP) and planning process. The many planning conditions and the need to have the architect fully involved ensures that quality is maintained on the installation of concrete and other materials throughout the project.

15. Key Project Stakeholders

15.1 The principal stakeholders are shown in Table 5 below.

Table 5			
Key Stakeholders	Role	Communication Method	Frequency
London Borough of Tower Hamlets	Local council	Project Board	Monthly
London Borough of Hackney	Local council	Project Board	Monthly
Network Rail	Owner of the station	Project Board	Monthly
TfL	Network Rail has leased the station to TfL	Project Board	Monthly
LOROL	Operator of the Overground	Project Board	Monthly
Freight Operators	Operator of the line.	Meeting	As and when required

16. Stakeholder Communications

16.1 Network Rail owns Hackney Wick Station and has leased the station to TfL. TfL appointed LOROL as the operator of the London Overground. Therefore, all major stakeholders have been fully consulted with and involved in the project from the initial design process through to planning and delivery, to ensure the station operation is not effected. All principal stakeholders are also represented at the Legacy Transport Group which meets on a monthly basis at LLDC's offices. The Hackney Wick station project Board meets on a monthly basis to update stakeholders on progress.

17. Key Risks

17.1 The key risks to this project are provided in the Table 9 below:

Table 6

Risk No.	Risk	Triggers	Consequences	Existing Internal Controls – to be confirmed	Likelihood	Impact	Total
1	Contaminated Land	Site investigation works	Increased cost	Ensure site investigation report is comprehensive and sufficient contingency is set aside.	3	3	9
2	Weather Risk (Easter blockade)	Bad weather before/ during the Easter blockade	Project delayed until next rail possession	Monitor weather before the Easter blockade and look at mitigation if the forecast is bad. LLDC is taking out insurance to cover the risk of not being able to start the works over Easter 2017.	3	5	15
3	Installation of operational equipment	Details provided by TfL of the gateline	Delays in opening the station	Early involvement with provider of gateline.	5	2	10

18. Project Approvals

The PID has been reviewed and accepted by the chair of the IDSG and Service Head, <i>Name, Title</i> . The risks identified are understood and acknowledged.			
Role	Name	Signature	Date
IDSG Chair	Aman Dalvi		
Service Head, Resources	Chris Holme		

19. Project Closure

19.1 Please see the Project Closure Document Template. This is to be completed at the project closure stage and submitted to the s106 Programme Manager.

19.2 The relevant documents, as outlined in the Project Closure Report, must be made available on request.

Project Closure Document			
1.	Project Name:		
2.	Timescales I confirm that the project has been delivered within agreed time constraints. If "No" please confirm below that there is no impact on the projects funding i.e. clawback	Please Tick✓	
		Yes	No
3.	Outcomes/Outputs/Deliverables I confirm that the outcomes and outputs have been delivered in line with the conditions set out in the Planning Agreement including any subsequently agreed variations.	Yes	No
4.	Cost I confirm that the expenditure incurred in delivering the project was within the agreed budget and spent in accordance with PID	Yes	No
5.	Closure of Cost Centre I confirm that there is no further spend and that the project's cost centre has been closed.	Yes	No
6.	Risks & Issues I confirm that there are no unresolved/outstanding Risks and Issues	Yes	No
7.	Project Documentation I confirm that the project records have been securely and orderly archived such that any audit or retrieval can be undertaken. An electronic copy of these Records has been provided to the Infrastructure Planning Team within D&R.	Yes	No
These records can also be accessed within the client directorate using the following filepath:			

8.	Lessons learnt		
9.	Comments by the Project Sponsor including any further action required		
10.	The Project Sponsor and Project Manager are satisfied that the project has met its objectives and that it can be formally closed.		
	Sponsor(Name)		Date
	Project Manager(Name)		Date

Appendices

[Delete as appropriate]

Appendix A: Recorded Corporate Director's Action Form;
Appendix B: Risk Register;

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**REGENERATING BRICK LANE
PHASE 1 – FEASIBILITY AND EARLY WINS**

PROJECT INITIATION DOCUMENT

October 2016

BRICK LANE REGENERATION

Project Initiation Document (PID)

Project Name:	BRICK LANE REGENERATION		
Project Start Date:	October 2016	Project End Date:	October 2017
Relevant Heads of Terms:			
Responsible Directorate:	Development and Renewal		
Project Manager:	Melanie Aust		
Tel:	020 7364 6580	Mobile:	07960 967022
Ward:	Spitalfields and Bangla Town and Weavers wards		
Delivery Organisation:	Economic Development		
Funds to be passported to an External Organisation?	None		
Does this PID involve awarding a grant? ('Yes', 'No' or 'I don't know')	No		
Supplier:	London Borough of Tower Hamlets		
Does this PID seek the approval for capital expenditure of up to £250,000 using a Recorded Corporate Director's Action (RCDA)? (if 'Yes' please append the draft RCDA form for signing to this PID)	No		
Has this project had approval for capital expenditure through the Capital Programme Budget-Setting process or	No.		

through Full Council? ('Yes' or 'No')	
S106	
Amount of S106 required for this project:	£985,399.76
S106 Planning Agreement Number(s):	PA/11/00602 - £41,284.75 PA/01/01424 - £406,457.90 PA/02/00299 - £537,657.11
CIL	
Amount of CIL required for this project:	N/A
Total CIL/S106 funding sought through this project	N/A
Date of Approval:	

Distribution List

Organisation	Name	Title
LBTH – D&R	Aman Dalvi	Corporate Director
LBTH – D&R	Owen Whalley	Service Head – Major Project Development
LBTH – D&R	Chris Holme	Finance, D&R
LBTH - D&R	Andy Scott	Service Manager – Economic Development
LBTH – D&R	Matthew Pullen	Infrastructure Planning Team Leader
LBTH – D&R	Helen Green	S106 Programme Coordinator
LBTH – Legal	Fleur Francis	Principal Planning Lawyer
LBTH Legal	Marcus Woody	Planning Lawyer
LBTH - D&R	Andy Simpson	Business Improvement & S106 Programme Manager
LBTH - CLC	Tope Alegbeleye	Senior Support Services Manager, S&R
LBTH CLC	Thorsten Dreyer	Strategy & Business Development Manager - Culture, Public Realm and Spatial Planning

Organisation	Name	Title
LBTH Public Health	Tim Madelin	Senior Public Health Strategist
LBTH ESCW	Pat Watson	Head of Building Development

Related Documents

ID	Document Name	Document Description	File Location
If copies of the related documents are required, contact the Project Manager			
BL1	Brick Lane Audit	Audit of Brick Lane District Centre	Economic Development
BL2	Brick Lane Area Profile	Detailed information and story map of Brick Lane	Economic Development

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1.0 Purpose of the Project Initiation Document

- 1.1 The project aims to deliver a holistic regeneration programme for the Brick Lane area, which is defined as – from Osborn Street to the top of Brick Lane (Redchurch Street and Bethnal Green Road). The activity will include linking up Brick Lane with other major visitor attractions such as Spitalfields Market and Petticoat Lane. It will also look to develop cultural trails and activities that bring footfall into Brick Lane from cultural facilities such as Rich Mix and Whitechapel Gallery.
- 1.2 It is proposed that the regeneration activity should be undertaken in 2 phases. In Phase 1 a small team (1.5 FTE's) will be employed to lead the regeneration activity in the area. A number of early win projects have already been scoped that will be delivered in this first phase. Consultation will be undertaken and a local partnership developed bringing businesses and residents and local groups together to agree an Improvement Plan. Feasibility work will be undertaken to identify future capital and revenue expenditure required in the area. This will include looking at the streetscape, public realm, markets, community safety, shop fronts and vacant units. New approaches will be piloted to develop new enterprise and new entrepreneurs in the area including pop up shops, food courts and trial trading. A programme of cultural events will be planned and delivered. This will commence with a Food Festival, Christmas lighting and Christmas events in 2016. Performance management measures will be introduced to ensure that the improvements are having the impact required by introducing the ATCM's key indicators of a successful Town Centre.
- 1.3 Phase 2 will be the major delivery phase of the project. A range of capital and revenue improvements will be delivered including upgraded street furniture and festoon lighting. This will also be when the local partnership is supported to take ownership of the Improvement Plan and start to take a leadership role in its delivery. This should ensure that there is continued action in the area when the S106 funding ends. A PID for Phase 2 will be submitted in due course.
- 1.4 The key aim will be to improve Brick Lane – particularly the part south of the Truman Brewery to return to be:
- A vibrant and diverse local economic centre
 - An important focus for local communities, particularly the Bengali community
 - A major visitor and tourist destination
 - The home of a lively night time economy.

2.0 Section 106

Background

- 2.1 Section 106 (S106) of the Town and Country Planning Act 1990 allows a Local

Planning Authority (LPA) to enter into a legally-binding agreement or planning obligation with a developer over a related issue. Planning Obligations / S106 agreements are legal agreements negotiated, between an LPA and a developer, with the intention of making acceptable development which would otherwise be unacceptable in planning terms.

- 2.2 CIL is a £ per square metre charge on most new development. In April 2015, the council adopted its own CIL Charging Schedule. CIL must be spent on the provision, improvement, replacement, operation or maintenance of infrastructure, where a specific project or type of project is set out in the Council's Regulation 123 List.
- 2.3 On the 5th January 2016, the Mayor in Cabinet agreed the implementation of a new Infrastructure Delivery Framework which will help ensure the process concerning the approval and funding of infrastructure using CIL/S106 will be appropriately informed and transparent.

S106

- 2.4 In terms of the allocation of S106 funding, this PID is part of the Tower Hamlets Council S106 Delivery Portfolio and is aligned with the agreed Heads of Terms (HoT) for the Deed creating Planning Obligations and undertakings for the developments at:

Central Area Spitalfields Market - PA/11/00602

- 2.5 The agreement obliged the Developer to pay the Council the "Town Centre Contributions"; £120,000 paid in 3x annual instalments of £40,000, the first within one year of the date of the commencement of the Saturday trading notice and the remaining two on each anniversary thereof. The contributions are to be used for the purpose of '*supporting Town Centre initiatives in Brick Lane/Spitalfields*'.
- 2.6 The Council received payment totalling £161,284.75 on the above trigger points. The contribution is time limited for five years after the date of each payment; final expiry date 23rd January 2020. It is proposed to use £41,284.75 of this contribution.

Former Sedgewick Centre (Aldgate Tower) PA/01/01424

- 2.7 The agreement obliged the Developer to make a payment to the Council of £400,000 to be used for various purposes including the '*Promotion of the Brick Lane economic regeneration scheme*'. The Council received payment of £566,458

22/07/2016 (index linked from the date of the agreement - 20/01/2004).

- 2.8 The contribution is time limited to be expended or contractually committed within 3 years and six months of receipt. The expiry date is therefore 22/01/2020.
- 2.9 It is proposed to use £406,457.90 of this contribution.

**Land between Brushfield Street, Elder Gardens & Bishopsgate (Bishops Square)
PA/02/00299**

2.10 The Council received a '*local community Improvements*' financial contribution of £8.5 million on 01/08/2005, in respect of the 'Bishops Square' development. This contribution was based on a £5,532,858 commuted sum secured in the agreement and an 'excess payment' calculated in respect of additional office space created. The sum was index linked. This money was to be spent towards '*the promotion of projects for the economic and social benefit of the local community in accordance with:*

- (a) *the relevant provisions of the development plan applicable in the London Borough of Tower Hamlets at the relevant time; and*
- (b) *any relevant planning policy guidance circular or advice issued by the Government.*

2.11 *And such projects may include training and employment initiatives and community improvement schemes to ensure that the community does not suffer loss as a result of the implementation of the Bishops Square Planning Permission and environmental improvement in the immediate locality of the Site and the adjoining conservation areas namely the Elder Street Conservation Area the Fournier Street Conservation Area the Artillery Passage Conservation Area and the Middlesex Street Conservation Area.'*

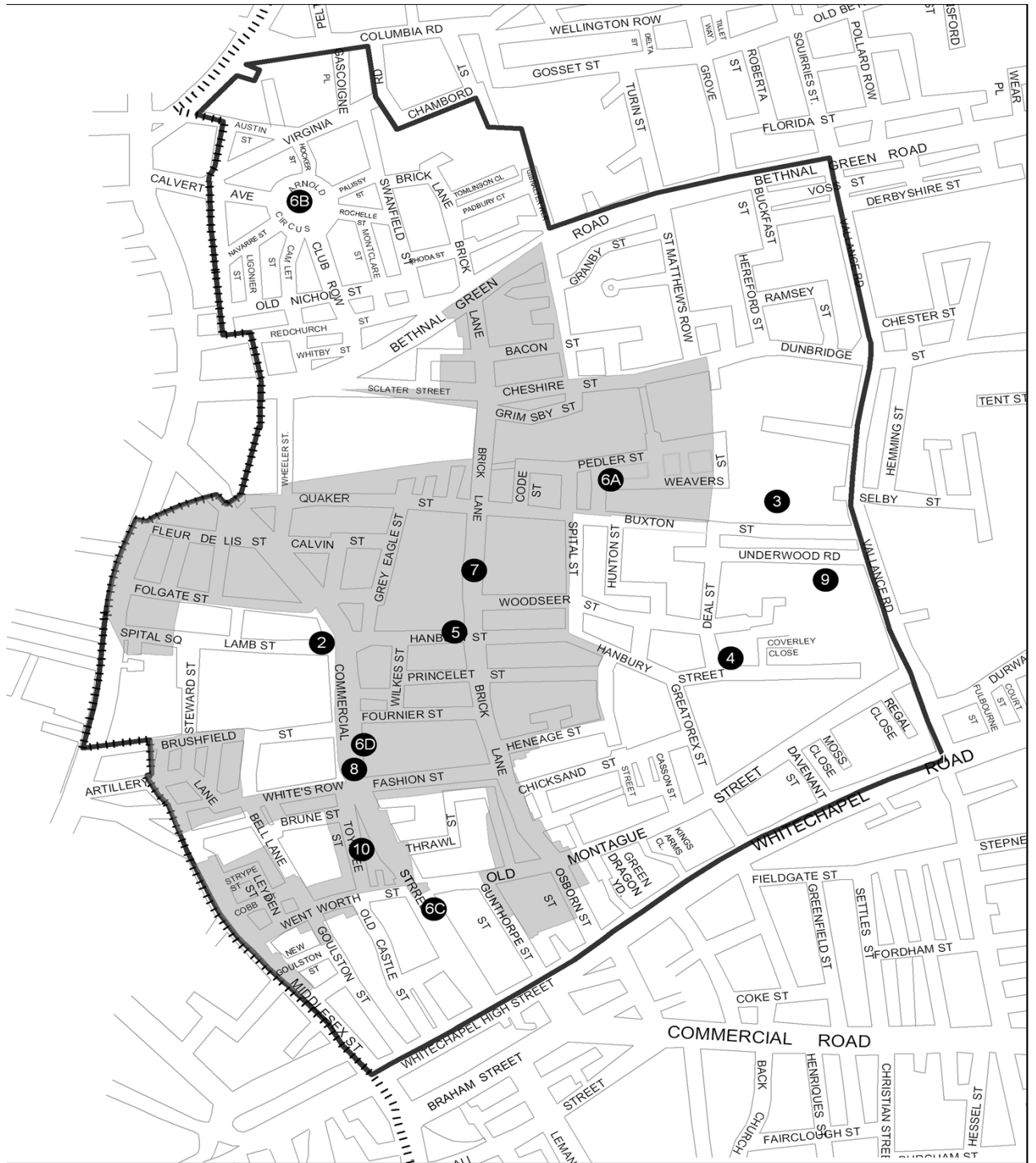
2.12 Plan 1 below shows the Bishops Square section 106 boundary area as identified through the section 106 Agreement.

2.13 To manage this substantial s106 package a 'Bishops Square Board' was established. A portfolio of projects was agreed in line with the above criteria and recommended by PCOP for approval at SDC 10th May 2007. Para 2.4 of the SDC Report recommended the following:


2.14 *That the Corporate Director of Development and Renewal is authorised to amend project allocations and/or identify new projects, in relation to issues such as the following:*

- *the re-allocation of any outstanding funds or resources not able to spent if the intended s106 variation cannot be agreed;*
- *additional boundary changes to secure the Deed of Variation negotiations;*
- *any re-allocation if projects cannot ultimately go-ahead;*
- *allocation of any additionally accumulated interest;*

- 2.15 Further detailed work has since been undertaken and some projects are now no longer viable, leaving a budget which needs to be re-allocated in accordance with 2.4 above.
- 2.16 £385,536.46 was set aside for the completion of the 'Banglatown Arches' - part of the Banglatown Art / Culture Trail. It was found the remaining budget is not sufficient to deliver this project to the desired specification due to the cost implications of relocating the utilities and needing to create a right turn for lorries servicing the area.
- 2.17 There also remains a residual balance of £64,991.56 left over from the 'Development of a Beacon of Business Excellence Centre' project and £87,129.09 in contingency.
- 2.18 It is proposed to use the remaining Bishops Square balance of £537,657.11 for this project.
- 2.19 There is no expiry date in respect of this contribution.



- s106 Project Sites
- Original s106 Boundary
- ▬ Variation to s106 Boundary
- ▬ Project 1 Street Scene Improvements within this Boundary
- - - - - Borough Boundary



Plan 1 Bishops Square Boundaries and Project Map

0 50 m

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Plan 1 Bishops Square section 106 boundary area

3.0 Legal Comments

- 3.1 Legal Services considers the use of contributions to support the regeneration programme being undertaken in the Brick Lane area satisfies the terms of the S106 agreements set out at paragraphs 2.5 – 2.19 above.
- 3.2 This PID reflects the various parties' intentions at the time the agreements were entered that the financial contribution would be used for the Council to improve the area within the locality of the relevant developments.
- 3.3 We consider the funding for this PID to be in accordance with Agreement PA/11/00602 as contributions were made with the purpose of '*supporting Town Centre initiatives in Brick Lane/Spitalfields*'. The geographical area is the same and 1.2 of this PID makes it clear that regeneration activity will include improvements to the general area, including the "town centre".
- 3.4 This PID is also directly in accordance with Agreement PA/01/01424 as these contributions were made for the '*Promotion of the Brick Lane economic regeneration scheme*'.
- 3.5 Agreement PA/02/00299 received a "*local community improvements*" contribution for the promotion of projects for the economic and social benefit of the local community. Although there is not a definition of "*local community*" in the agreement, the Plan on page 10 is helpful in showing the boundary of the S106 and it is clear from this that Brick Lane falls within this area and therefore satisfies the requirement of being part of the "*local community*", The funding for this PID is also in accordance with the purposes for the contributions under the S106 agreement.
- 3.6 These comments are limited to addressing compliance with the terms of the S106 agreement mentioned above (as based on the information detailed in the PID) and advice on any other legal matters (such as advice on procurement) should be sought separately if appropriate.

4.0 Overview of the Project

- 4.1 A Brick Lane Officer Working Group, chaired by Councillor Josh Peck, has been brought together to oversee the development and delivery of a multi service response to the issues identified in Brick Lane. The Terms of Reference for the Group indicate that it has been established to:
1. Carry out a review of Brick Lane which meets the Mayor's commitments for the

town centre. This will:

- Explain the Council's vision for Brick Lane town centre, reflecting its range of roles
- Review and address the issues, challenges and opportunities facing Brick Lane town centre
- Consider the role of the Council, of local businesses, and of other stakeholders in managing and supporting Brick Lane town centre
- Identify a package of measures to ensure that Brick Lane town centre can continue to fulfil its identified role in a way that supports and has the support of local businesses and communities
- Make recommendations about the implementation of those measures, including identifying those that the Council is best placed to lead and those that will be more appropriately be led by partners.
 2. Initiate those measures identified in the review as best led by the Council
 3. Work with partners to bring about the implementation of measures identified in the review as best led by others.

This Group is starting to make good progress in terms of identifying 'early wins' and are in the process of developing a longer term improvement plan for the area.

4.2 A number of agreed work streams have been identified which are as follows:

- Vision and offer – led by Economic Development
- Hygiene factors – led by Public Realm
- Management of the area – led by Economic Development
- Community engagement – led by Economic Development and Community Safety
- Planning and heritage – led by Planning
- Culture and activation of the area – led by CLC
- Business engagement and support – led by Economic Development

4.3 The appointment of a Brick Lane Town Centre Manager and a Project Manager are seen as essential to enable the design and delivery of a series of early win projects and feasibility studies to underpin the regeneration of the Brick Lane area.

4.4 The project will develop an Improvement Plan for Brick Lane which will be overseen initially by an Officers' Working Group, with the Lead Member for Work and Economic Growth chairing, and in due course by a local partnership comprising businesses, residents and other local stakeholders. A Town Centre Manager will be appointed to ensure day to day delivery of the Improvement Plan, undertake consultation with key stakeholders and develop and maintain a local network of interested parties.

4.4 It is proposed that the project should be delivered in 2 phases – the first is the feasibility phase and the second will be the delivery phase. It is forecast that Phase 1 will start in September 2016 and complete in September 2017 and Phase 2 will start in April 2017 and complete in September 2018.

4.5 The vision and offer for the area will be developed in consultation with the 2 local Neighbourhood Plan forums and Ward Panels. There will also be consultation with

BLRA (Brick Lane Restaurants Association), Trumans Brewery, Spitalfields Market, SPIRE (Spitalfields Regeneration) and SSBA (Spitalfields Small Business Association). A key outcome of the project will be to develop a local partnership to oversee the development and delivery of the project and to take ownership after the S106 funding ends.

4.4 Phase 1 – October 2016 to October 2017

This will be the feasibility and 'early wins' phase.

During this phase, when the Brick Lane team has been appointed, feasibility work will be undertaken on the following:

Markets strategy – aimed at extending the market to bring footfall into the southern part of Brick Lane (below Trumans Brewery), improving and diversifying the offer
Shopfront improvements (including vacant units) – to bring vacant units back into use and to improve shopfronts in the area. This will be a matched funded programme where 50% of the costs of the improvement works will be provided by businesses. This element will be delivered by the Council on behalf of the Brick Lane retailers.

Streetscape Design Strategy – which will identify the works required to improve the public realm in the broader Brick Lane area. This will include improved lighting, reviewing the one-way system in the area, upgrading local parks and open spaces, cycling routes and storage.

Cultural activities and events programme – built around the current offer and extending it, involvement of Brick Lane retailers in the Mela 2017, local food and other events.

Feasibility study of Kobi Nasrul and Brady Centres to identify improvement works required.

A number of early win initiatives will be delivered locally including:

- Cleanliness is a key issue in the area which is being reviewed. Refuse collection times are being investigated and a walk through is being organised to identify areas for deep clean. The Waste Strategy is being reviewed and new policies are under development. A pilot programme will be planned to deep clean the area before the Food Festival (planned for end of October 2016) and the Christmas events (planned for December 2016). Tagging is being targeted for removal and rubbish collection times are being reviewed.
- Pest control and food hygiene are seen as key issues for the curry restaurants and around 11 restaurants are currently participating in training and in the Council's pest control service. A pest control service is being piloted by the Council to see if it is

successful. Food hygiene training is also being offered by the Council to improve conditions locally.

- Touting is being discussed by the Council to identify solutions to this problem. The Best Bar None scheme was launched in Brick Lane (funded by Public Health) and BLRA members have shown an interest in being part of this scheme. Other solutions such as covert surveillance and a public spaces protection order are also being considered.
- For sale and to let signs are to be removed as part of planning enforcement action to improve the look of the street.
- There are plans to improve the traffic management in Fournier Street and Wentworth Street. Detailed projects are to be developed around the £100,000 of S106 funding and £200,000 of LIF funding already approved for this purpose. The street furniture in the area is in need of updating and this is a potential future project. It is proposed that further feasibility work is undertaken and a Streetscape Design Guide produced to underpin the regeneration activity in Brick Lane.
- A heritage trail and arts installation project has been funded with S106 funding and it is proposed that this project forms part of Regenerating Brick Lane. This project will help to provide cultural linkages to Petticoat Lane and Spitalfields Market.
- Brick Lane is in a conservation area and the requirements of this will be considered during this phase to ensure that they are met within any improvement works undertaken. Close working with relevant planning officers will be required.
- There are 34 vacant units identified in the Brick Lane area identified by the Carter Jonas Retail Study. Survey and feasibility work will be undertaken to develop a programme to bring these units back into use.
- Improving Brick Lane as a cycling area is also being considered, with funding available from approved budgets for additional signage and cycle storage.
- Extending the market has been identified as a way of improving footfall into the southern end of Brick Lane. There is a very successful Sunday market but this finishes just below the Truman Brewery. Work needs to be continued with Markets Section and Public Realm to see if this can be achieved. Other proposals around improved market stalls, new entrepreneurs being developed, and other pilot approaches will be considered in the development of the Market Strategy.
- The emerging Local Plan offers some potential to capture the Council's aspirations for Brick Lane. The local Neighbourhood Plans will set out the vision and offer for Brick Lane. Consultative work with the relevant Neighbourhood Forums will see that the local vision and this project line up effectively.
- A Food Festival will take place at the end of October 2016. Festive lighting will be installed and a Christmas activities programme will be delivered in the area.
- Work will continue on consulting with the local business and residential communities with the aim of establishing a local partnership to oversee delivery of

the Improvement Plan.

- From April 2017, the Improvement Plan will start to be agreed and pilot activity commenced.
- A performance management framework will be introduced to baseline the current condition of Brick Lane against the ATCM key indicators of a successful town centre. An Area Profile is under development to start this process. Annual assessments will be undertaken to measure progress.
- Design work on new lighting will complete and procurement commence.
- Streetscape improvements, public realm improvements and shopfront improvements will be agreed. This will require close co-operation with relevant Planning Officers to ensure that the plans meet the Council's requirements.
- Improvements to the Market will be piloted in line with the recommendations of the Markets Strategy, working closely with Market Services.
- Vacant units will be included in the Shop front Improvement project as appropriate and brought back into use.
- New initiatives such as food courts, pop up shops, trial trading will be piloted to improve footfall in the area.
- A cultural trail will be developed and art works installed to improve movement between cultural centres such as Rich Mix and Whitechapel Gallery and between visitor attractions such as Columbia Road, Petticoat Lane and Spitalfields Market.
- Anti-social behaviour is a key concern in the area including drug dealing and the positive and negative aspects of the Night time economy. Suitable actions will need to be included within the Improvement Plan working with the Community Safety team and the local Ward Panel.

4.6 Staff resources

The requirement for a Town Centre Manager and a Project Manager to help with the design and delivery of the various activities and events that are forming the early delivery of the Brick Lane regeneration project has been agreed. Job descriptions for the 2 roles have been agreed and the positions should be filled in October/November 2016.

5.0 Business Case

- 5.1 The regeneration of Brick Lane is a manifesto commitment of the Mayor. The Mayor has made a commitment to develop visions for town centres and high streets in the borough, including Brick Lane, and to carry out a dedicated review of Brick Lane.

- 5.2 This project aims to meet that manifesto commitment and the PID identifies the funding requirements to deliver agreed objectives. Brick Lane is identified as both a Town Centre and a visitor attraction. While north of Trumans' Brewery it is successful in terms of footfall, offer and activity, the area south of Trumans' Brewery is struggling, with curry restaurants closing and the 'curry offer' deteriorating. The project is sited near to the main tourist attractions – Tower of London, Tower Bridge, Whitechapel Gallery, Petticoat Lane, Columbia Road and Spitalfields. However visitors are not made aware of the potential cultural trails. The Council wants to support businesses in the area and to maintain the 'curry sector' in some form in Brick Lane.
- 5.3 Town Centres are part of the Mayor's priorities with a vision and area profile being developed for each area. This project delivers on this priority in Brick Lane. An Area Profile for Brick Lane is being developed as part of the Strategic Plan objective 'To publish area profiles demonstrating commercial concentrations as destinations (deadline 31st March 2017)'. It also delivers on the recommendations of the Town Centre Overview and Scrutiny panel to create a successful Town Centre.
- 5.4 The project aims to upgrade Brick Lane to regain its status as an international visitor destination, to increase footfall in the area and improve economic activity. A performance management framework will be introduced to measure improvements against a range of ATCM indicators for a successful Town Centre. This will identify progress against these aspirations for the project.

6.0 Approach

- 6.1 This project brings together key Directorates with a responsibility for a range of areas within the Council – including Public Realm, Transport, Environmental Health, Market Services, Planning, Waste Management, Housing Services, Economic Development – to agree a range of interventions that will holistically regenerate Brick Lane. These interventions are acting as a pilot approach to identify and develop good practice.
- 6.2 The development of the Area Profile and the preparatory work for the development of the Town Centre Strategy has required a review of the existing evidence base – including Strategies, audits and evaluation – to identify what is currently working and where additional support is required. By bringing officers together from a range of areas, it has been possible to develop a more comprehensive approach to identifying what Brick Lane looks like at the current time and how it could be improved in the future.
- 6.3 A number of Strategies are currently under review – including the Local Plan,

Veolia's contract for waste management with the Council, the Community Safety Strategy – which provides an opportunity to identify amended or new ways of working in areas. This work in Brick Lane will help to pilot and identify good practice to underpin the strategic direction proposed in these Strategies.

- 6.4 The Town Centre Strategy has recently been procured and it will review the Area Profile for Brick Lane, review the Improvement Plan proposed and start to recommend Actions to be undertaken in this area.
- 6.5 The Feasibility Studies will be procured using the usual Council procurement route.
- 6.6 Progress against the Improvement Plan will be measured quarterly and reported to the Officers Working Group and to the local partnership. This will highlight by exception any under-performing areas and will identify solutions to improve performance.

7.0 Deliverables

7.1 The following deliverables will be created by this Phase 1 project:

- 1.5 posts created
- 1 Local partnership created of local businesses, residents and stakeholders
- 1 Improvement Plan developed in consultation with Neighbourhood Forums, Ward Panels and other local stakeholders
- 4 Feasibility Studies procured and completed – Streetscape Design (incorporating the public realm, street lighting and decluttering), Markets and Shop front improvements (incorporating vacant units) and Kobi Nasrul and Brady Centres.
- Replacing 31 lamp columns, installing festive and festoon lighting procured and designed
- 1 Traffic management scheme agreed with local residents and designed for Fournier Street
- Middlesex Street Arts trail and installations agreed for Brick Lane
- A Food Festival will be delivered in October 2016
- Christmas 2016 activities will be delivered
- Festive Lighting installed
- A deep clean of the area will be undertaken prior to the Food Festival and Christmas events.
- 34 vacant units will be identified and discussions commenced with owners/landlords
- A cultural and activities programme will be developed including involvement in

the Mela 2017.

- Proposed improvements to Brady Street and Kobi Nasrul Centres will be identified by CLC working with Asset Management
- Business support activity provided to 11 restaurants (tailored to their requirements)
- 11 businesses undertake food hygiene training
- 11 businesses take part in the Best Bar None initiative
- 3 new enterprises supported
- Performance management framework established and regular reports received on improvements in footfall, cleanliness, anti-social behaviour and other key areas identified
- Phase 2 programme developed and agreed

8.0 Evidence Base Context

8.1 This programme of projects is not currently captured within the Infrastructure Delivery Framework Evidence Base.

9.0 Opportunity Cost

9.1 Various S106 contributions are being used to deliver this programme of projects. The contributions are generally restricted to specific project types and locations. Whilst there are likely other potential projects these contributions can be spent on, this programme is supported by manifesto commitments as well as in other evidence base documents.

10.0 Local Employment and Enterprise Opportunity

10.1 The project aims to regenerate Brick Lane, to improve the offer of businesses and to bring vacant units back into use. Business support will be offered to interested businesses with the aim of improving their profit margins. New enterprises will be encouraged to establish themselves in currently vacant units. It is anticipated that these activities will lead to the creation of new jobs and opportunities for local people. By working closely with colleagues within Economic Development any apprenticeship, mentoring, work experience, youth enterprise initiatives will be identified and passed across to the relevant section to ensure that the opportunities are maximised. Procurement opportunities such as working on an events programme, developing Strategies, undertaking Shop front improvements will be procured using the Council's usual procedures.

11.0 Programme Timeline

11.1 Project Budget

Table 1			
Financial Resources			
Description	Amount	Funding Source	Funding (capital/revenue)
Town Centre Manager (PO4)	120,000 (for 2 years)	S106	Revenue
Project Manager (PO 1/2)	75,000 (50% for 2 years)	S106	Revenue
Festive Lighting (costs provided by CLC)	20,000	S106	Capital
Food Festival and Christmas activities (quotes currently being obtained)	30,000	S106	Revenue
Streetscape Design Strategy (including public realm improvements) (costings provided by CLC)	50,000	S106	Revenue
Upgraded street lighting (costs provided by CLC)	150,000	S106	Capital
Markets Strategy and pilot project	75,000	S106	Capital
Shopfront Improvements design/ Vacant units back into use	50,000	S106	Capital
Shopfront Improvements Delivery	50,000	S106	Capital
Bringing vacant units back into use new initiatives e.g. pop up	60,000		

Table 1			
Financial Resources			
Description	Amount	Funding Source	Funding (capital/revenue)
shops, meanwhile uses, trial trading		S106	Capital
Community Safety activities (responding to issues raised by Ward Panel including ASB and drug dealing)	40,000	S106	Revenue
Events programme Year 1	50,000	S106	Revenue
Public Realm improvements	74,000	S106	Capital
Consultation and partnership development	16,279.11	S106	Revenue
Communications and marketing to promote the Brick Lane Regeneration initiative	15,000	S106	Revenue
Upgrading community facilities – focusing on the Kobi Nasrul and Brady Centres	110,000	S106	Capital
Total excluding VAT	985,279.11(S106)		

- *Any Contingency will be returned to the S106 portfolio/recycled for additional Phase 2 works.*

Other non S106 Funding Sources

It is to be noted that as part of the wider Brick Lane regeneration programme:

1. An additional £50,000 will be sought as a match-funding contribution from

businesses towards shopfront improvements.

2. £60,000 will be spent on business support procured by the Enterprise Team utilising New Homes Bonus Funding.

Approval of funding for non S106 Funding Sources, and any associated capital estimates, will not be sought through the IDF reporting process but through separate reporting processes.

11.2 Financial Profiling

Table 2									
Financial Profiling									
Description	Year 2016/17		Years 2017/18 & 18/19						Total
	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	
Staffing resources	24	25	24	24	25	24	24	25	195
Feasibility studies		50	100						150
Festive lighting	20								20
Food Festival and Christmas activities	30								30
Capital Delivery Projects			100	150	89				339
Cultural Activities and events		20	10	20					50
Consultation and partnership development	5		5	6.3					16.3
Communications and marketing	10		5						15
Community safety initiatives	20		20						40
Innovation initiatives			20	20					40
Upgrading community facilities		20	50	20					90
Total	109	115	335.3	239	114	24	24	25	985,279

											(S106)
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11.3 Outputs/Milestone and Spend Profile

TABLE 3: Project Outputs/Milestone And Spend Profile		PHASE 1 - £912,279.11 budget				
		2016-17		20117-18		
ID	Milestone Title	Q3	Q4	Q1	Q2	Q3
1. £195K	• hortlist, interview and appointment	End Oct				
	• staff inducted to programme	Mid-Nov				
	1.5 staff delivering Improvement Plan during Phase 1 and Phase 2 (once PID approved)	Mid-Nov				
2. £150K	• Scope feasibility project options	End Dec				
	• Consult with stakeholders on projects		Mid Jan			
	• Prepare detailed scope of studies		Mid Feb			
	• Procure feasibility services for 3 studies		March			
	• Induction meeting with consultant(s)			By April		
	3 x Feasibility studies completed			End May		
3. £339K	• Engage with business/premises owners	End Dec	Jan			
	• Prepare RTQ documents for shop fronts		Mid-Jan			
	• Procure design services (shop front)		End Jan			
	• Induction meeting with designer		Feb			
	• Procure works (shop fronts)		Mid-Feb			
	Capital improvement projects delivered		March			End Oct
4. £50K	• Festive lighting purchased and installed	End Nov				
	• Plan for and switch on festive lights	4 th Dec				
	• Plan series of event with businesses	End Dec				
	• Scope cultural events with stakeholders	Dec	Jan			
	• Deliver festive lighting and events	4 th Dec				
	• Deliver food festival with businesses		March			
4. £40K	• Scope out community safety initiatives	Dec	Mid Jan			
	• Consult with stakeholders on options		Jan			
	• Develop detail of initiatives			Mid-Feb		
	• Procure services/goods as required			March		
	• Implement community safety initiatives					
	Community Safety initiatives completed					Oct '17
5. £50K	• Develop scope of events/activities	Dec				
	• Engage with stakeholders on options		Jan			
	• Develop detail of events/activities		Mid-Jan			
	• Procure services/goods as required			Feb		
	Cultural activities and events delivered			By March		Oct '17
6. £16.3K	• Engage with community/businesses	From Nov				
	• Workshop for partnership development		Dec			
	• Develop programme with partnership		Dec			
	• Work with partners to deliver programme					
	1 local partnership developed					Oct'17
7. £40K	• Prepare details of vacant units/owners	End Dec				
	• Engage with vacant premises owners		Jan			
	• Develop options of pop-up shops etc		March			
	• Identify partner to manage pilots		March	April		
	• Implement pilot approaches			May		

ID	Milestone Title	Q3	Q4	Q1	Q2	Q3	Q4
8. £15K	• Prepare marketing & community plan						
	• Agree support with Partnership	End Dec					
	• Develop marketing plan for projects			April			
	• Implement plan Marketing & Comm plan						
	• Marketing & Comm plan signed off			May '17			
	Develop marketing & comms programme			May '17			
9. £90K	• Work with CLC officers to scope out plan	End Dec					
	• Prepare detailed scope of requirements	Mid-Jan					
	• Procure services (pat of Shopfront spec)	End Jan					
	• Induction meeting with consultant(s)	Feb					
	• Develop plan for 2 community centres	March					
	• Procure works for 2 community centres			By July			
	• Carry out works to 2 community centre			July		Oct	
	Community Facilities upgraded					Oct '17	

Total Phase 1: £1,022,279.11

Source of funding: £912,279.11 – S106 with staff costs to Dec 17 + £050,000 –

Business own contribution + £060,000 – New Homes Bonus (NHB)

12. Project Team

12.1 Information regarding the project team is set out below:

- Project Sponsor: Andy Scott
- Project Manager: Melanie Aust
- Project Team Members: Brick Lane Town Centre Manager, Andy Scott, Shazia Hussain, Liz Nelson, Dave Tolley, Margaret Cooper, Adele Maher, Chris Golds

13. Project Reporting Arrangements

Table 4			
Group	Attendees	Reports/Log	Frequency
Brick Lane Officer Working Group	As above	Reports	Monthly

14. Quality Statement

14.1 Quality standards will be defined in accordance with London Borough of Tower Hamlets standards. All delivery will be procured and managed to the quality standards of the Council.

15. Key Project Stakeholders

Key Stakeholders	Role	Communication Method	Frequency
Mayor and Lead Member for Economic Development	Strategic direction	Update reports Attendance at Officer Working Group	As required Monthly
Local Ward Councillors	Local strategic direction	Update reports Attendance at consultation meetings	As required Quarterly
Local businesses/ Business forums	Consultation and local perceptions	Attendance at consultation meetings Digital updates	Quarterly As required
Local residents/ Resident groups	Consultation and local perceptions	Attendance at consultation meetings Digital updates	Quarterly As required

16. Stakeholder Communications

16.1 Key stakeholders will be communicated with via email, promotional material, in person, at meetings. A communications strategy will be developed working with the Communications team at the Council. All promotional material will reference the support of S106 funding for the project.

17. Key Risks

17.1 The key risks to this project are provided in the Table 9 below:

Table 6							
Risk No.	Risk	Triggers	Consequences	Existing Internal Controls – to be confirmed	Likelihood	Impact	Total
1	Lack of involvement in shopfront improvement programme	Number of businesses willing to match fund	Insufficient funding to support the programme		2	4	6
2	Inability to appoint experienced officers	Lack of applicants or low level of applicants	Programme does not deliver in accordance with the Improvement Plan		2	2	4
3							

PROJECT INITIATION DOCUMENT

**A13 Commercial Road and Watney Market Public Realm and Safety
Improvements**

Project Initiation Document (PID)

Project Name:	A13 Commercial Road and Watney Market Urban Realm and Safety Improvements		
Project Start Date:	Jan 2017	Project End Date:	May 2017
Relevant Heads of Terms:	TRFC		
Responsible Directorate:	Development and Renewal		
Project Manager:	David Eaton		
Tel:		Mobile:	020 3054 0777
Ward:	Whitechapel		
Delivery Organisation:	TfL		
Funds to be passported to an External Organisation?	Yes		
Does this PID involve awarding a grant? ('Yes', 'No' or 'I don't know')	No		
Supplier:	TfL		
Does this PID seek the approval for capital expenditure of up to £250,000 using a Recorded Corporate Director's Action (RCDA)? (if 'Yes' please append the draft RCDA form for signing to this PID)	Yes		
Has this project had approval for capital expenditure through the Capital Programme Budget-Setting process or	No		

through Full Council? ('Yes' or 'No')	
S106	
Amount of S106 required for this project:	£394,800
S106 Planning Agreement Number(s):	PA/11/03587 - £339,300 PA/12/00925 - £24,000 PA/14/02817 - £31,500
CIL	
Amount of CIL required for this project:	-
Total CIL/S106 funding sought through this project	-
Date of Approval:	October 2016

Distribution List

Organisation	Name	Title
LBTH – D&R	Aman Dalvi	Corporate Director
LBTH – D&R	Owen Whalley	Service Head – Major Project Development
LBTH – D&R	Chris Holme	Finance, D&R
LBTH - D&R	Andy Scott	Service Manager – Economic Development
LBTH – D&R	Matthew Pullen	Infrastructure Planning Team Leader
LBTH – D&R	Helen Green	S106 Programme Coordinator
LBTH – Legal	Fleur Francis	Principal Planning Lawyer
LBTH Legal	Marcus Woody	Planning Lawyer
LBTH - D&R	Andy Simpson	Business Improvement & S106 Programme Manager
LBTH - CLC	Tope Alegbeleye	Senior Support Services Manager, S&R
LBTH CLC	Thorsten Dreyer	Strategy & Business Development Manager -

Organisation	Name	Title
		Culture, Public Realm and Spatial Planning
LBTH Public Health	Tim Madelin	Senior Public Health Strategist
LBTH ESCW	Pat Watson	Head of Building Development

Related Documents

ID	Document Name	Document Description	File Location
If copies of the related documents are required, contact the Project Manager			

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1.0 Purpose of the Project Initiation Document

- 1.1 As part of Transport for London's Road Modernisation Plan, TfL is looking to improve safety, journey time reliability and the public realm on Commercial Road between New Road and Jubilee Street. There has been a higher rate of reported collisions along this stretch of road compared to similar roads in London, particularly involving pedestrians, cyclists and motorcyclists. TfL is therefore delivering a scheme designed to reduce the number of collisions involving these vulnerable road users.

2.0 Section 106/CIL Context

Background

- 2.1 Section 106 (S106) of the Town and Country Planning Act 1990 allows a Local Planning Authority (LPA) to enter into a legally-binding agreement or planning obligation with a developer over a related issue. Planning Obligations / S106 agreements are legal agreements negotiated, between an LPA and a developer, with the intention of making acceptable development which would otherwise be unacceptable in planning terms.
- 2.2 CIL is a £ per square metre charge on most new development. In April 2015, the council adopted its own CIL Charging Schedule. CIL must be spent on the provision, improvement, replacement, operation or maintenance of infrastructure, where a specific project or type of project is set out in the Council's Regulation 123 List.
- 2.3 On the 5th January 2016, the Mayor in Cabinet agreed the implementation of a new Infrastructure Delivery Framework which will help ensure the process concerning the approval and funding of infrastructure using CIL/S106 will be appropriately informed and transparent.

S106

- 2.4 In terms of the allocation of S106 funding, this PID is part of the Tower Hamlets Council S106 Delivery Portfolio and is aligned with the agreed Heads of Terms (HoT) for the Deed creating Planning Obligations and undertakings for Following developments:

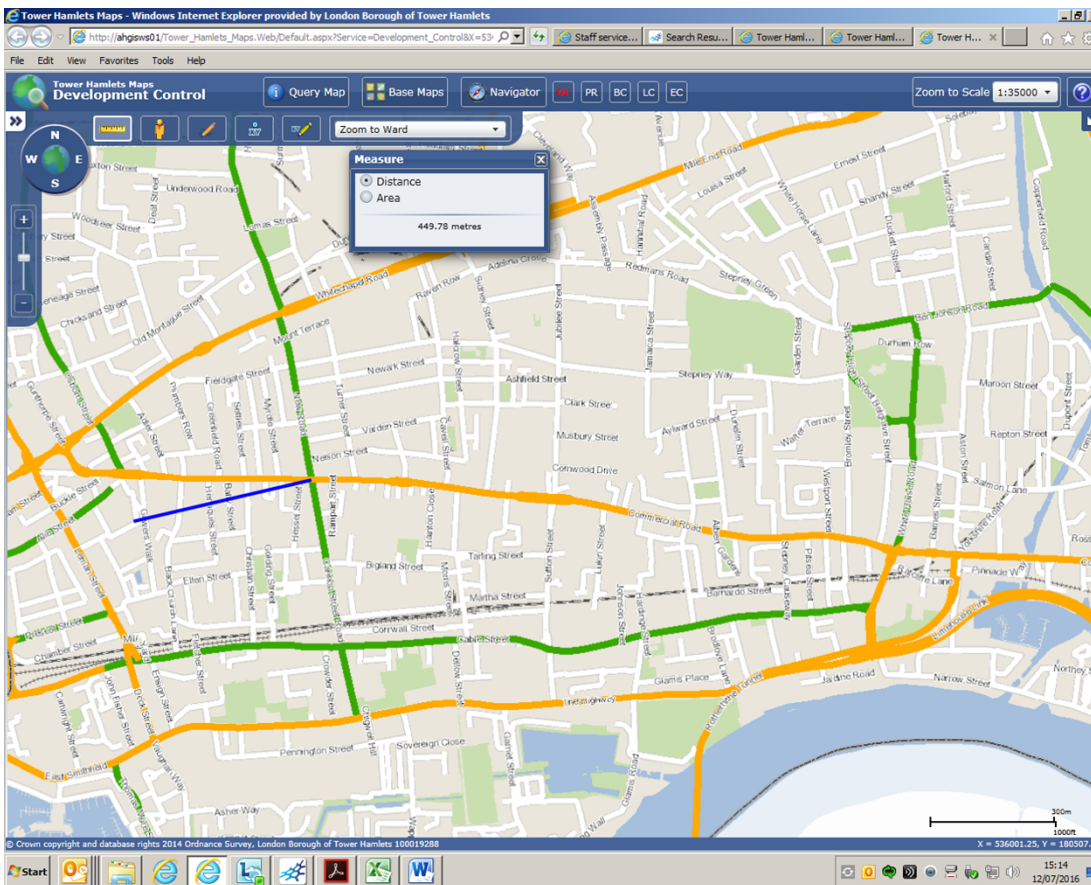
Former Goodmansfields, PA/11/03587.

2.5 The agreement obliged the Developer to pay the Council £339,300 the “*TfL Highway Improvements Contribution*”. The contribution is time limited to be expended or committed within five years from receipt of the contribution. The Council received payment totalling £339,300 on 11th July 2014, therefore the expiry for this contribution is 11th July 2019.

Goodmans fields south site, PA/14/02817

2.6 The agreement obliged the Developer to pay the Council £31,500 the “*TfL Highway Improvements Contribution*”. The contribution is time limited to be utilised or committed within 5 years of payment. The Council received payment totalling £31,500 on 29th April 2016, therefore the expiry for this contribution is 29th April 2021.

2.7 The Goodmansfields development sites are located near to Commercial Road. See map 1 below:



Map 1 Location of Goodmans Fields development site to Commercial Road (449m)

Land at Commercial Road Basin Approach, PA/12/00925.

- 2.8 The agreement obliged the Developer to pay the Council £24,000 towards “*Bus Stop Improvements along Commercial Road*”. The Council received payment totalling £24,000 on 29th July 2015. The contribution is time limited for a period of ten years from practical completion. This contribution will specifically be used for Bus stop improvements along Commercial Road, including footway works, shelter replacement and raised kerb heights to help less mobile bus passengers.

CIL

- 2.9 This PID does not seek approval for the expenditure of CIL funding.

3.0 Legal Comments

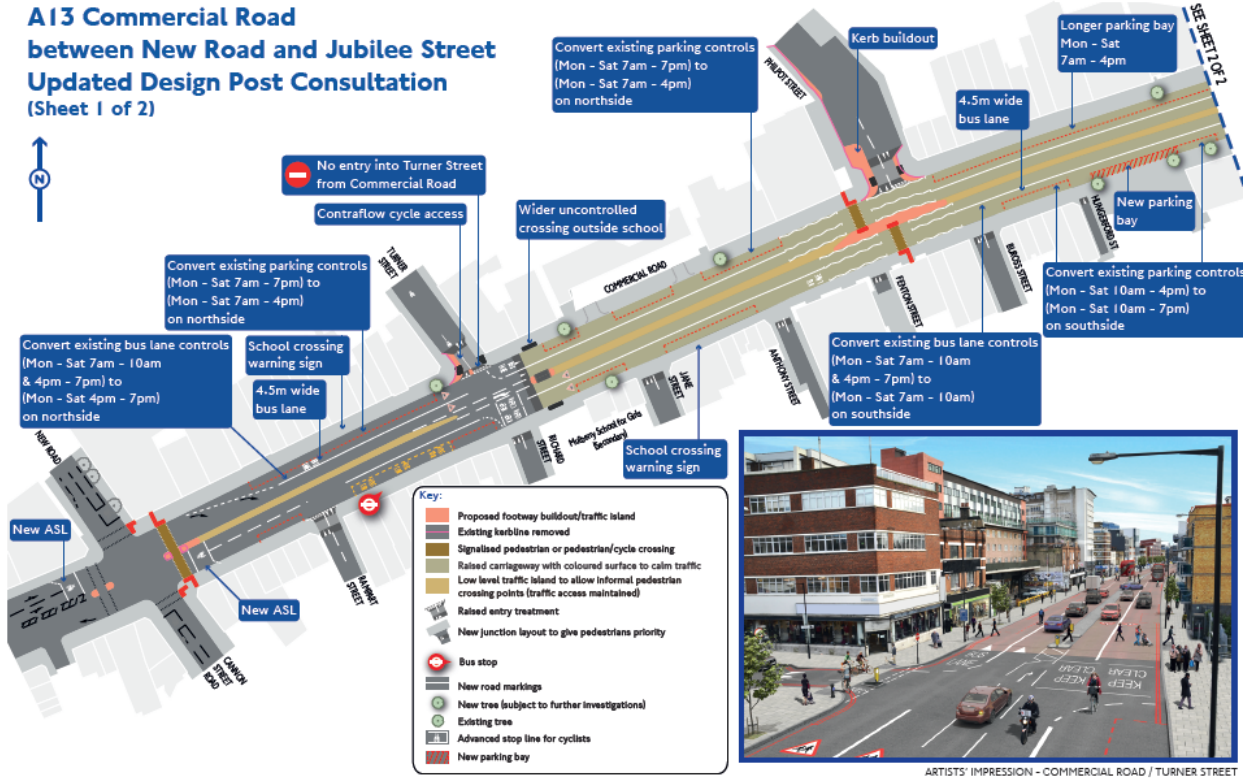
- 3.1 We consider that the funding of this project from the section 106 agreements referred to above are in accordance with the terms of those agreements. It is interesting that the Goodmans Fields agreements do not expressly define the purposes for which the relevant monies should be used; but if one takes a common sense approach to interpretation, it is implicit from the contributions’ very nomenclature that they are intended to be used by TfL for highways improvements.

- 3.2 These comments are limited to addressing compliance with the terms of the section 106 agreements mentioned above (as based on the information detailed in the PID) and advice on any other legal matters (such as advice on procurement) should be sought separately if appropriate.

4.0 Overview of the Project

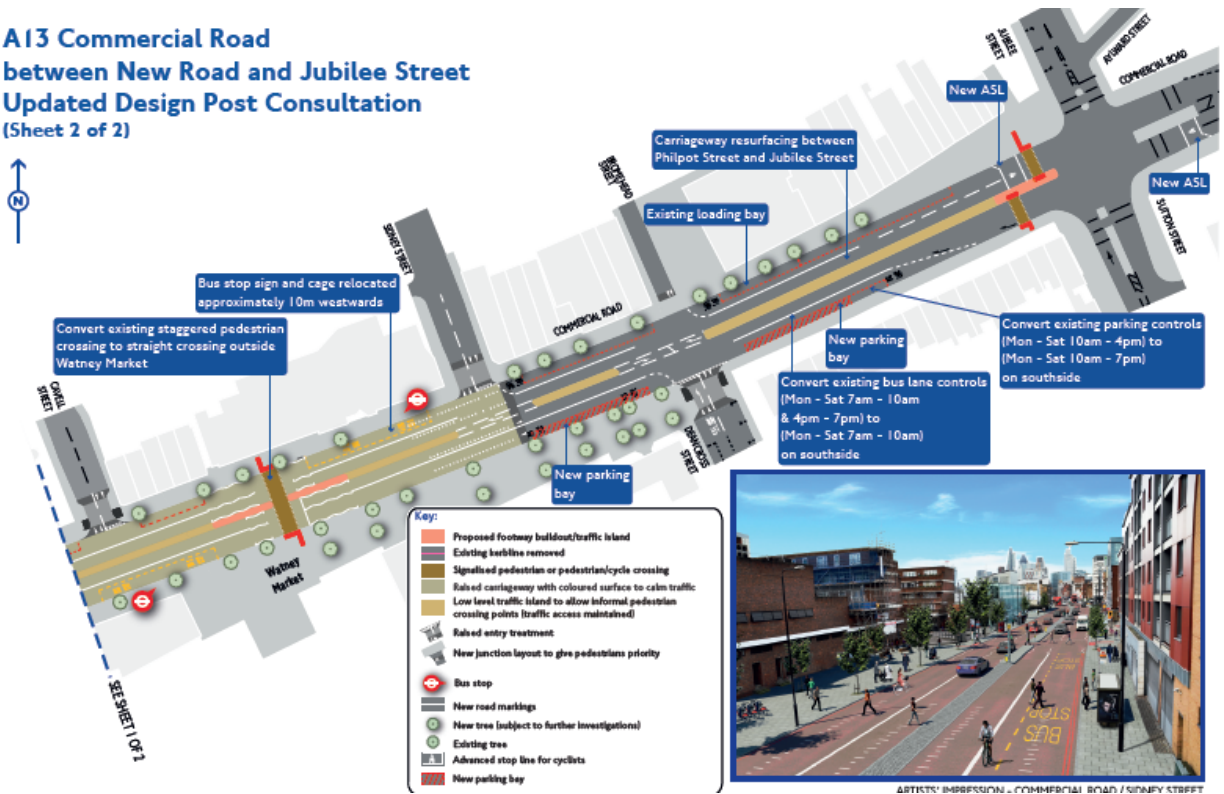
- 4.1 This scheme will deliver a new highway layout designed to deliver road safety improvements for all users but with particular emphasis on pedestrian, cyclist and motorcyclist safety as these are the vulnerable road user groups who have experienced the highest number and severity of collisions. There have been three fatal collisions on this section of Commercial Road (between New Road and Jubilee Street) in the last 3 years. The project will also make improvements to the public realm, providing new trees, pedestrian lighting, improvements to footways, new paving and de-cluttering. These works will specifically benefit residents, including those moving into the new Goodmansfield development, and also workers and visitors to the area.

A13 Commercial Road between New Road and Jubilee Street Updated Design Post Consultation (Sheet 1 of 2)



Indicative Design of works to be carried out

A13 Commercial Road between New Road and Jubilee Street Updated Design Post Consultation (Sheet 2 of 2)



Indicative Design of works to be carried out

5.0 Business Case

- 5.1 Commercial Road is reported to suffer from vehicle congestion, particularly at peak times. Parked vehicles prevent buses from using the eastbound bus lane at busy times, which causes delays to bus passengers.
- 5.2 TfL have also identified a higher rate of collisions compared to similar roads along Commercial Road, between New Road and Jubilee Street, particularly involving pedestrians, cyclists and motorcyclists. See Table 1 below:

Table 1 – Accident rate at New Road/Canon St (Node 88) and Jubilee St/Sutton St (Node 89)

PIA involving:	Study Area Rate	LB Tower Hamlets ATS Average Rate	TfL Inner London ATS Average Rate
Pedestrian	27.8% (5)	17.7%	21.9%
Cyclist	11.1% (2)	12.7%	16.2%
P2W	33.3% (6)	24.6%	26.1%

Table 5.2: Comparison of Vulnerable Road Type Average Accident Rates for Node 88

PIA involving:	Study Area Rate	LB Tower Hamlets Average Rate	TfL Inner London Average Rate
Pedestrian	21.6% (8)	20.5%	20.5%
Cyclist	21.6% (8)	13.8%	16.9%
P2W	29.7% (11)	27.5%	30.4%

Table 5.3: Comparison of Vulnerable Road Type Average Accident Rates for Link 88-89

PIA involving:	Study Area Rate	LB Tower Hamlets ATS Average Rate	TfL Inner London ATS Average Rate
Pedestrian	0% (0)	17.7%	21.9%
Cyclist	7.7% (1)	12.7%	16.2%
P2W	38.5% (5)	24.6%	26.1%

Table 5.4: Comparison of Vulnerable Road Type Average Accident Rates for Node 89

- 5.3 It is noted the Goodmans fields development, which is still under construction, will create an additional 579 new residential units and a 250 bedroom hotel which will put extra pressure on this area.
- 5.4 Collisions have a serious detrimental impact on London's economy. The Department for Transport Analysis Guidance (DfT) puts an average value on the prevention of a collision at £107,465 on urban roads. This is based on lost output, medical and ambulance costs, human costs, police costs, insurance and property

damage and includes an allowance for damage only collisions.

- 5.5 TfLs 'Safe Streets for London. The Road Safety Action Plan for London 2020' (2013), set a new target for London is to achieve a 40 % reduction in Killed or Seriously Injured (KSI) casualties by 2020, from a baseline of the 2005-2009 average. The plan focuses on improving the safety of vulnerable road users – pedestrians, pedal cyclists, and motorcyclists, which account for 76.6 % of KSI casualties.
- 5.6 In addition, TfL are committed to their £4Bn 'Road Modernisation Plan', which aims to radically improve the efficiency, safety and reliability of the network so it is suitable for the 21st century. As part of the plan, investment is being channelled into 'transformational' projects, designed to provide safer, greener and more attractive streets and town centres, while enhancing conditions for cyclists and pedestrians and tackling the capital's congestion issues. From this budget, a £610,000 investment has been made available to support the Commercial Road Scheme. A consultation has been undertaken on the draft scheme between 29 January and 11 March 2016 and 73% of 692 respondents fully or partially supported the proposal.
- 5.7 The Council has included borough wide 'Road Safety Improvements' at accident hotspots in its IDF Evidence Base Document, estimating at £10million as being essential to supporting growth movement and connectivity. Ch 10 para 6.1 (Transportation and Connectivity Infrastructure) of the Councils IDF Evidence Base Document, August 2016 provides that:

Improvements to transport and connectivity infrastructure should be delivered where local analysis, strategy, or TfL, indicate works are required. Many of the relevant projects may aim to encourage modal shift (e.g. reallocation of road space from cars to bicycles) in transport user terms. Significant levels of development and resulting population growth will result in the need for this type of infrastructure.

6.0 Approach

- 6.1 The Council has developed a relationship with TfL to ensure effective delivery of infrastructure projects funded by S106 contributions but where the Council is not best placed to commission or deliver the project. The contribution will be passed to TfL following the IDSG approval process.
- 6.2 A programme of works and traffic management will be developed before the detailed design is completed. TfL will work with LBTH to minimise the impact and co-ordinate works.
- 6.3 Construction is anticipated to commence after January 2017 and last 4-5 months, this will be subject to our internal approvals process and those of the local highway authority which will be dependent on site conditions. Works will be undertaken through TfL's Lohac contract framework process.

7.0 Deliverables

7.1 This project will improve the conditions for bus passengers and vulnerable road users with the specific aim of;

- Improving journey times for bus routes 15, 115 and 135 during the AM and PM peak
- Reducing general traffic speeds to improve conditions for all vulnerable road users
- Widening bus lanes to allow cyclists and motorcyclists to pass buses more safely
- Providing a better pedestrian experience with upgraded footway and priority given to pedestrians at side roads
- Improving the public realm by reducing clutter and introducing paving and more pleasant environment, particularly around Watney market.

7.2 Specific highway improvement works are as follows:

- Creating a raised carriageway appearance with coloured surfacing on Commercial Road between Turner Street and Sidney Street to help lower traffic speeds and reduce collisions. There would still be a detectable kerb height between the road and the footway
- Converting the pedestrian crossing outside Watney Market to a wider straight crossing and relocating it closer to the market. This would mean pedestrians crossing in a single straight over movement rather than passing through a staggered junction. Pedestrian “Countdown” at the crossing would also be considered.
- Raising the level of all side road entrances and providing kerb build outs to reduce traffic speeds, making it easier for pedestrians to cross
- Providing a continuous footway across the following side roads to give priority to pedestrians and a smoother crossing surface: Richard Street; Jane Street; Anthony Street; Fenton Street; Buross Street; Hungerford Street; Bromehead Street
- Reducing kerb heights, particularly around Watney Market, to help pedestrians
- Installing low level central islands to help pedestrians cross the road informally
- Upgrading pavements where damaged or uneven
- Re-surfacing sections of the road to provide a smoother surface for cyclists and motorcyclists and to reduce noise

- Making Turner Street “no entry” to motor traffic (except cycles) from Commercial Road in order to improve safety outside Mulberry School for Girls and to prevent vehicles queuing back onto Commercial Road at busy times. Access would still be possible using other routes, and motorists would be able to exit Turner Street onto Commercial Road as they do now
- Widening bus lanes to 4.5 meters to allow cyclists and motorcyclists to pass buses more safely. We would create space for this by changing the hours of operation of the parking bays on the North side of Commercial Road
- Converting some existing parking bays into two new loading bays.
- Changing parking controls where necessary on the north side of Commercial Road by converting existing ‘all day’ parking (Mon-Sat 7am-7pm) to off-peak times (Mon-Sat 10am-4pm). This would allow the bus lane to operate at peak times (Mon-Sat 7-10am and 4-7pm)
- Providing Advanced Stop Lines for cyclists at junctions to let them wait ahead of other traffic
- New tree planting where conditions allow.
- Improving the public realm – reducing clutter, better paving and a more pleasant environment particularly around Watney Market

8.0 Evidence Base Context

- 8.1 This project is not currently captured within the Infrastructure Delivery Framework Evidence Base.

9.0 Opportunity Cost

- 9.1 Various S106 contributions are being used to deliver this project. The contributions must be paid to TfL so alternative spending opportunities for this funding from the Council’s perspective are limited.

10.0 Local Employment and Enterprise Opportunity

- 10.1 TfL must attract, recruit and retain talented people to deliver a world class public service. TfL is committed to recruiting and selecting people from all sections of the community on the basis of merit and will ensure that the diversity of its employees reflects the community that it serves.
- 10.2 Opportunities are available through apprenticeship schemes to graduate training. TfL’s procurement activities are carried out on the basis of obtaining best possible value. This means: minimising total cost of ownership over the lifetime of the requirement consistent with acceptable quality, reliability and delivery

considerations.

10.3 Procurement will require Suppliers, where appropriate, to be aligned with TfL's corporate objectives for equality and inclusion as outlined in TfL's Equality & Inclusion Policy and as specifically outlined under TfL's duty under the Race Relations (Amendment) Act 2000. Procurement will also encourage applications for inclusion in TfL tendering processes from small and medium-sized enterprises and from London's diverse communities to support this activity.

10.4 TfL has also actively engaged with the borough's Economic Development Team and continues to provide opportunities for Tower Hamlets residents to have access to jobs through the TfL supply chain.

11.0 Programme Timeline

11.1 Project Budget

Table 1			
Financial Resources			
Description	Amount	Funding Source	Funding (capital/revenue)
TfL Project Financing	£867,500	TfL	Capital
S106 - PA/11/03587	£339,300	LBTH	Capital
S106 - PA/12/00925	£24,000	LBTH	Capital
S106 - PA/14/02817	£31,500	LBTH	Capital
Total	£1,262,300		

11.2 Financial Profiling

Table 2									
Financial Profiling									
Description	Year 16/17				Year 17/18				Total
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	
				£339,300	£55,500				
Total				£339,300	£55,500				£394,800

11.3 Outputs/Milestone and Spend Profile

Table 3			
Project Outputs/Milestone and Spend Profile			
ID	Milestone Title	Spend*	Delivery Date
1	Detailed Design Finalised		Nov 2016
2	Permit and approvals in place		Dec 2016
3	Commencement of capital works		March 2017
4	Completion of works		May 2017
Total		£394,800	

*As S106 is only a small funding source, the money will be spent on the delivery of capital works only. TfL investment will cover design fees and project management.

12. Project Team

12.1 Information regarding the project team is set out below:

- Project Sponsor: Owen Whalley
- Project Manager (LBTH): Helen Green
- Project Manager (TfL): David Eaton

13. Project Reporting Arrangements

- 13.1 TfL monitors the performance of the Transport for London Road Network through its statutory obligations and responsibilities for the operation of the Transport for London Road Network and its 24 hour traffic control centre.

Table 4

Group	Attendees	Reports/Log	Frequency
IDSG Sub group	Defined in ToR.	Monitoring Report	Quarterly
IDSG	Defined in ToR.	Monitoring Report	Quarterly

14. Quality Statement

- 14.1 Quality of outputs will be measured through TfL's quality assurance regime and contractual arrangements with its suppliers. Design and delivery required to meet TfL's quality standards.

15. Key Project Stakeholders

Table 5

Key Stakeholders	Role	Communication Method	Frequency
Local residents and Businesses	Will benefit from the completed projects	letter / leaflet	consultation & advance notice of scheme
LBTH stakeholders; – Clean & Green & highways, Waste Management, parking services, CCTV Manager	enforcement, coordination of street works, highway inspections, street cleansing & refuse collection arrangements	Email/phone calls/meetings	Inception, development of scheme design and during implementation. Notification of completion of works

16. Stakeholder Communications

- 16.1 TfL have already consulted all local businesses and residents and key stakeholder


groups, such as Alliance of British Drivers and confederation of passenger Transport in addition to Statutory bodies such as LBTH council and the London Fire Brigade. All comments have been considered in the final design of the scheme. TfL will write to local residents and businesses in advance of the works to advise them of the works programme and likely disruption during construction.

17. Key Risks

17.1 The key risks to this project are provided in the Table 9 below:

Table 6							
Risk No.	Risk	Triggers	Consequences	Existing Internal Controls – to be confirmed	Likelihood	Impact	Total
1	The ability to agree design with project team.	Lack of clarity over requirements.	Project overrun.	Regular project team meetings and agreement of clear specification.	1	3	3
2	Unforeseen infrastructure complication or obstacle	Arising during on site works	Delay to project	Managed by TfL	1	3	3
3	Problems with construction.	Failure to plan adequately.	Project overrun.	Appropriate engagement with all relevant stakeholders.	1	3	3

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Cabinet Date: 6th December 2016	 TOWER HAMLETS
Report of: Director of Development and Renewal	Classification: Unrestricted
Engagement and Governance relating to the CIL Neighbourhood Portion	

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

1 **EXECUTIVE SUMMARY**

- 1.1 CIL is a pounds per square metre charge on most new development that is paid to the Council and must be used to help deliver infrastructure to support the development of the area.
- 1.2 The CIL regulations (Reg. 59F) require that a share of levy receipts is designated as CIL Neighbourhood Portion. These funds must be spent on:
 - a) the provision, improvement, replacement, operation or maintenance of infrastructure; or*
 - b) anything else that is concerned with addressing the demands that development places on an area.*
- 1.3 The regulations (Reg. 59A and 59F) state that the Neighbourhood Portion should range at least between 15% and 25% of received CIL funds dependent on circumstances. This paper proposes to allocate 25% of received CIL funds in all circumstances to the Neighbourhood Portion. The paper also proposes to name this portion in Tower Hamlets as the Local Infrastructure Fund or LIF.
- 1.4 Decision making on the spend of the LIF is proposed to be the same as for the entirety of CIL funds, using the Infrastructure Delivery Framework approved by the Mayor in Cabinet on 5th January 2016 and implemented at Cabinet on 13th September 2016. This is in accordance with the Government Regulations (Reg. 59F) and Guidance (Section 4).
- 1.5 The CIL Guidance (Section 4) requires that areas for consultation are defined by the Council and this report does so in proposing four consultation areas.

1.6 Finally, this report details a 5 step process for dealing with the LIF, as follows:

- Step 1 – Evidence Base
- Step 2 – Public Consultation (Local Infrastructure Priorities and Project Nomination)
- Step 3 – Project Development and Evaluation
- Step 4 – Decisions and Reporting
- Step 5 – Project Delivery

2 RECOMMENDATIONS

2.1 The Mayor in Cabinet is recommended to:

1. Approve the adoption and implementation of the LIF process as proposed in Figures 1 & 2 of this document.
2. Approve the apportionment of 25% of LBTH CIL receipts resulting from development to the LIF across the whole borough.
3. Approve the adoption of the boundaries as proposed in Section 6 of this document and displayed in Appendix A.

3 REASONS FOR THE DECISIONS

3.1 There are multiple reasons for the implementation of this process of allocating funding to infrastructure projects:

- a) To ensure that regulatory requirements regarding the CIL Neighbourhood Portion are met, including the engagement of local people regarding the spend of LIF;
- b) To ensure that decisions relating to the allocation and expenditure of the LIF are subject to appropriate oversight;
- c) To ensure that relevant decisions are appropriately transparent and comply with the aims of the Mayor's Transparency Protocol;
- d) To ensure that the delivery of infrastructure in the borough accords with the Council's Best Value objectives as set out in the LBTH Best Value Strategy and Action Plan (2015);

4 ALTERNATIVE OPTIONS

4.1 It is not considered that there is any substantially different alternative to the process recommended for dealing with engagement on the CIL Neighbourhood Portion. The Council is obliged by Government Guidance (Section 4) to undertake engagement. There are however alternatives to the proportion of CIL allocated as Neighbourhood Portion and the proposed consultation boundaries as set out below:

Alternative Option 1: Allocate a lower proportion of CIL to infrastructure projects funded through the Local Infrastructure Fund (LIF).

- 4.2 The level of funding attributed to the LIF could be the same as that detailed within the CIL regulations (Reg. 59A and 59F). This would mean that in areas where development takes place that have no Neighbourhood Plan in place, 15% of the CIL receipts collected would be allocated to the LIF, subject to a cap of £100 per Council Tax dwelling.
- 4.3 This option is not considered appropriate because in areas where there is no Neighbourhood Plan in place, the residents would be at a disadvantage compared to those residents living in areas where there is a Neighbourhood Plan in place. This would be a less equitable approach.

Alternative Option 2: Use alternative boundaries.

- 4.4 The approach to the boundaries proposed in Section 6 and Appendix A could be altered in order to utilise the existing Ward boundaries. This option is not considered the ideal approach, as the scale of development and impact of infrastructure is not restricted to an area as small as a Ward area.
- 4.5 A further alternative could be to use the entire borough as the 'area' and not use boundaries. This option is not considered appropriate as the size of the area would not allow the consideration of the local impacts of development on infrastructure and it would be contrary to the intention of the Government Guidance (Section 4).

5. BACKGROUND

Community Infrastructure Levy (CIL)

- 5.1 CIL is a pounds per square metre charge on most new development and must be used to help deliver infrastructure to support development of the area. It can be used to provide new infrastructure, increase the capacity of existing infrastructure or to repair existing infrastructure, if that is necessary to support development.
- 5.2 It is expected that, in the medium to long term CIL receipts are likely to be broadly consistent with the amounts historically received through S106. CIL is payable on the commencement of planning permissions that are permitted after the 1st April 2015. It generally takes many months for any development to go from permission to commencement and it can take up to three years (and occasionally longer) for larger developments to commence. Therefore, the amount of funding received through CIL may take a few years before a consistent level of funding is received.

CIL Neighbourhood Portion – Government Regulations and Guidance

5.3 The CIL Regulations (Reg. 59F) require that a share of levy receipts is designated as CIL Neighbourhood Portion. These funds must be spent on:

a) the provision, improvement, replacement, operation or maintenance of infrastructure; or b) anything else that is concerned with addressing the demands that development places on an area.

5.4 Where no Neighbourhood Plan is in place the Neighbourhood Portion equates to 15% of CIL receipts collected from a given area, subject to a cap of £100 per Council Tax dwelling within the given area. Where a Neighbourhood Plan is in place the Neighbourhood Portion equates to 25% of CIL receipts collected from the given area with no cap applicable in respect of Council Tax dwellings.

5.5 The Government Guidance (Section 4) requires the Council to engage with the communities where development has taken place, before deciding how to spend the CIL Neighbourhood Portion. The guidance also states that the Council's engagement process should use existing regular communication, consultation and engagement tools. Thirdly, the guidance states that consultation should be at a neighbourhood level and proportionate to the level of levy receipts.

Decision Making for Spending CIL

5.6 Subject to the restrictions set out above, it is the authority of the Executive to decide how to spend CIL. All expenditure decisions of the Council are the function of the Council's Executive unless regulatory functions require otherwise. There are no regulatory restrictions on CIL in terms of who decides how this funding source is spent.

5.7 The governance process for the allocation and expenditure of CIL money, called the Infrastructure Delivery Framework (IDF), was agreed by the Mayor in Cabinet on 5th January 2016 and implemented at Cabinet on 13th September 2016.

5.8 The IDF is a decision-making governance structure and supporting evidence base relating to the approval for the funding and delivery of infrastructure projects. It mainly focusses on the allocation and expenditure of CIL and S106.

5.9 The approval granted was for the formation of a new officer-led working group, the 'Infrastructure Delivery Steering Group' (IDSG) which reports into a board level group, the 'Infrastructure Delivery Board' (IDB). This group is chaired by the Mayor, attended by the membership of Cabinet and the Corporate Management Team and is broadly similar to the Mayor's Advisory

Board meeting although will specifically consider infrastructure matters including the allocation of CIL and S106 funding.

- 5.10 The IDB makes recommendations for decisions to be made by the Mayor in Cabinet.
- 5.11 Decisions for project approval using either or both the Neighbourhood Portion and 'Main Pot CIL' funding are subject to IDF processes as highlighted above.
- 5.12 Reporting of CIL income, balances and expenditure is required by the CIL regulations, which specifies that Neighbourhood Portion must be included in reporting as a separate item. Reporting on all aspects of CIL will be completed through the IDF process to Cabinet, with results subsequently published on the Council's website.

The Role of the Commissioners

- 5.13 Intervention by the Secretary of State on the 17th December 2014 required, amongst other things, that the Council's functions in respect of grants will generally need to be exercised by appointed Commissioners, acting jointly or severally. There is no strict legal definition of 'grant' but it may be the case that the expenditure of CIL monies will in some cases constitute a grant. As this is the case, the IDF accounts for the need to involve the Commissioners in decision-making as is legally necessary. This covers sending of both the Neighbourhood Portion and 'Main Pot CIL' funding.

6 PROPOSAL

- 6.1 This section outlines the proposed approach to dealing with the Neighbourhood Portion.
- 6.2 The Neighbourhood Portion in Tower Hamlets will be referred to as the Local Infrastructure Fund (LIF).

Consultation Boundaries

- 6.3 Neither Government Regulations nor Guidance defines what constitutes an 'area' for the purposes of consultation. The Guidance (Section 4) also only requires an 'area' to be defined for the purposes of consultation and do not state that such definitions create restrictions on wider engagement, the decision making or geographic spend of CIL.
- 6.4 It is proposed to establish four boundary areas for the purposes of consultation on the LIF. These boundaries take account of a range of factors, including the geographic spread of development in the borough and designated Neighbourhood Forum boundaries. They are considered to be of a scale and arrangement that is appropriate when considering planned development and subsequent infrastructure needs. This is in accordance with Government Guidance (Section 4) that states that "*the charging authority will*

retain the levy receipts but should engage with the communities where development has taken place". The four proposed consultation areas are shown in Appendix A.

- 6.5 The purpose of the areas is to guide the consultation process. However it is understood that some large developments and some larger forms of infrastructure may have an impact on a wider area than those defined. It is not proposed that consultation responses be restricted by the proposed boundaries. The views of all residents will be considered no matter which area they relate to.

Percentage of CIL to be Applied to the LIF

- 6.6 It is proposed that 25% of CIL receipts be treated as the LIF for all areas of Tower Hamlets, irrespective of whether there is a Neighbourhood Plan in place or not.
- 6.7 This is considered to provide an equitable system for residents, providing all communities with the opportunity to engage with planning for the expenditure of CIL in their neighbourhood at the same percentage level.

The Process for Funding Infrastructure through the LIF

- 6.8 The government does not prescribe a specific engagement process for Charging Authorities; it is at the discretion of Charging Authorities to decide how to engage with the local community.
- 6.9 The following proposed process allows for the use of existing: council held information regarding infrastructure supply and demand; consultation and engagement practices; and CIL governance processes. It is a 5 step process that begins with evidence gathering (including existing engagement feedback), before undertaking consultation, then developing projects, taking them through decision making processes and undertaking project delivery (including further detailed engagement as necessary).
- 6.10 Figure 1 is a summary process map showing the proposed 5 Step Process for the LIF. Following the process map, Figure 2 provides further details regarding each step.
- 6.11 As part of the consultation, local people will be invited to provide responses on local infrastructure priorities in their area, helping guide the Council towards those infrastructure matters of particular importance to local people. The public will also be invited to nominate infrastructure projects which are either currently proposed or they would like to see enabled. This feedback will feed in to the Councils evidence base supporting decision making on CIL spend. Where projects are to be considered further they will be developed, engaging with local people to do so, where appropriate, on a case-by-case basis. Where projects are not to be considered further, for example if they do not meet regulatory requirements, reasons why will be logged and reported back to the public through the process.

- 6.12 Developed projects will then be assessed through a LIF project matrix, to be developed, and will be considered alongside general Council initiated infrastructure projects. LIF monies can be spent on infrastructure projects identified by the Council, as well as those projects identified through the consultation. It is likely that there will be some correlation between the Councils evidence base identified infrastructure needs and the experience and expectations of local communities. It is always the Mayor's decision which projects are funded by any CIL, be it 'Main Pot CIL' or LIF. The assessment of nominated LIF projects will help inform decision making by the Mayor regarding which projects to support with CIL funding.
- 6.13 Officers anticipate that the process from Step 1 to Step 4 (evidence base production, through to decision making and reporting) is likely to take a minimum of 12 months. Following this, projects will need to be delivered by the Council or other infrastructure providers. It will therefore not be appropriate to fully review all steps of the process annually. Officers propose to develop a process that will undertake a full review of the process every two years, with a partial review in the interim year, to allow nomination of additional projects and for the inclusion of new priorities not already considered. Residents' surveys are proposed to be undertaken every two years unless exceptional circumstances require a more or less frequent update.

Figure 1: LIF Process - Summary

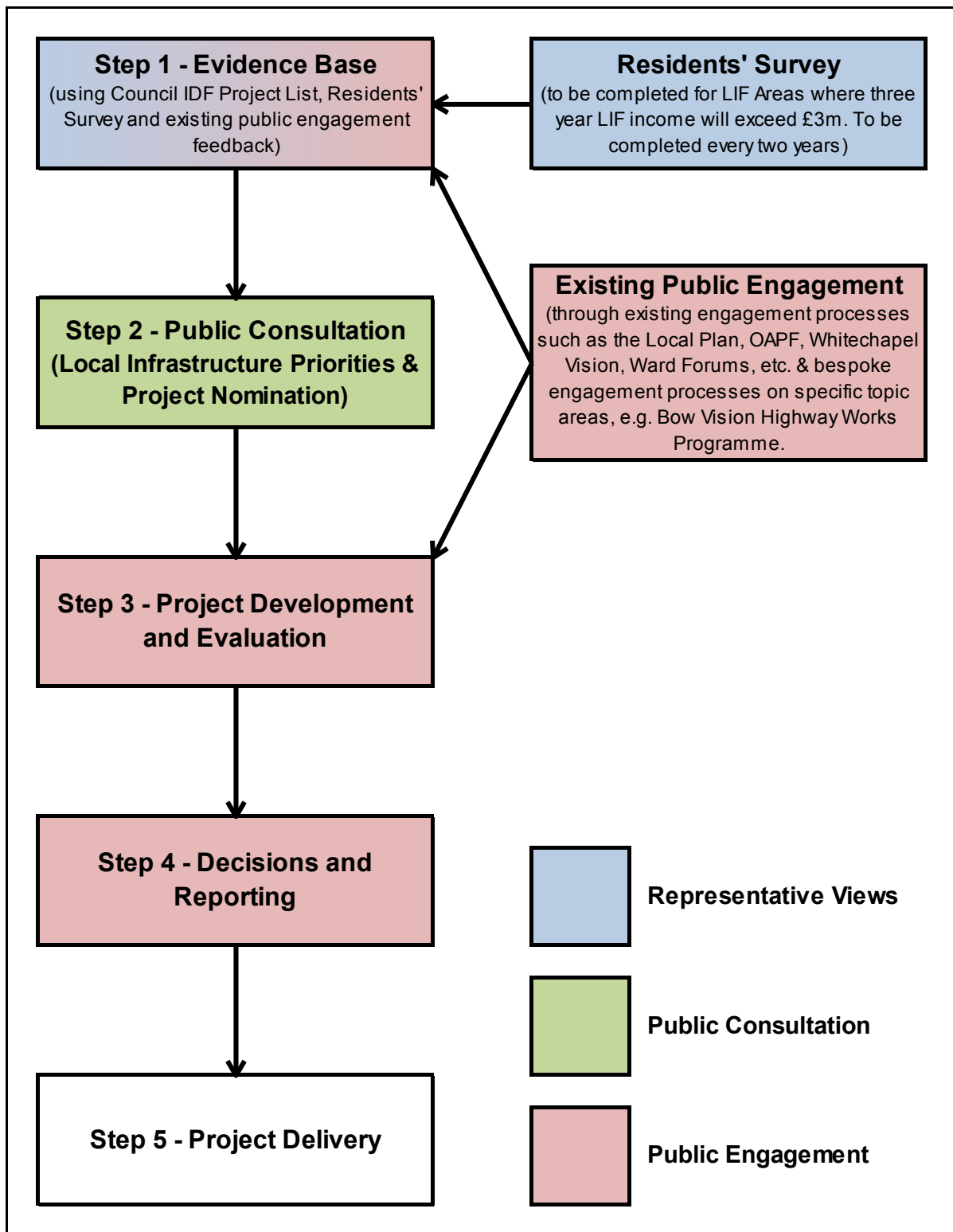


Figure 2: LIF Process - Detail

Step 1: Evidence Base

Participants: Council Officers, Local People, Members, Mayor.

Process: Through the IDF process that will deal with the 'Main Pot CIL', the Council will develop a regularly refreshed Infrastructure Projects List. This list will include all the infrastructure projects that the Council are aware of; to be developed and delivered by both the Council and other infrastructure delivery bodies (e.g. TfL, NHS, etc.). Additionally, an Infrastructure Prioritisation Matrix will help inform the IDF process regarding the appropriate allocation of CIL funding towards projects at a borough-wide and local level. It is proposed that these evidence base tools are also utilised to provide a basis for the LIF process.

Officers recognise it is important that the views of local people are able to influence the development of the infrastructure list and therefore analysis of existing consultation feedback and engagement exercises will be undertaken and incorporated alongside the evidence base e.g. Local Plan consultation feedback, Neighbourhood Planning information, Neighbourhood Agreements, etc. It is considered that this approach will ensure there is not repetitious public engagement.

Secondly, it is proposed that where the level of funding is particularly high, it is appropriate to ensure that there is a fair and representative set of views collected from residents in the LIF Area regarding infrastructure needs. In some LIF Areas, funding will amount to several million £'s over a number of years. Officers propose that where funding will exceed £3m over a three year period, a residents' survey will be undertaken to gather representative views of local infrastructure needs, across the LIF Area. The survey will be repeated every two years, or at a frequency required in individual circumstances.

The information sources described above will be collated to form an Infrastructure Needs Analysis, Proposed Priorities and Projects List for each LIF Area.

Step 2 - Public Consultation (Local Infrastructure Priorities & Project Nomination)

Participants: Council Officers, Local People.

Process: The LIF evidence base, containing the Infrastructure Needs Analysis and Proposed Priorities and Projects List for each LIF Area and existing public consultation and engagement feedback will be made available for public consultation, using the Council's agreed approach to consultation and in accordance with the Statement of Community Involvement.

As part of the consultation, local people will be asked for their views on the Council's assessment of infrastructure priorities in each area and the projects proposed to meet the

priority need. Additionally, local people will be invited to nominate any projects that the Council has not included on its list, providing some basic details of what the project is and why it would benefit the area.

Step 3 - Project Development and Evaluation

Participants: Council Officers, Local People, Members, Mayor.

Process: Officers will collate feedback from the consultation and create a list of all new nominated projects. Further investigation in to the nominated projects will be undertaken and a project evaluation exercise will be completed by the relevant Service Area responsible for delivery of that infrastructure type or other body that would be responsible for delivering each project. If a project was found to be inappropriate for funding through LIF or undeliverable it would be removed from the list and feedback to the project nominator provided. Those projects deemed suitable for progression would be included on an updated Infrastructure Projects List and analysed through a prioritisation matrix. Both reports would then be required to return to the IDF process for consideration.

The information that will be collected through the engagement processes will be evaluated to help identify the project areas and priorities where there is a need for local infrastructure to be delivered.

The results of the engagement with local communities will be evaluated in accordance with the following:

- a) Suggested projects will be assessed using a LIF specific prioritisation matrix which will involve officers considering the projects against a series of defined criteria as well as the priorities that have emerged through the LIF engagement process.
- b) Where projects are identified they will be considered collectively, with the most consistent suggestions grouped and reported.

If a nominated project is considered reasonable and could be funded by LIF, this is not a guarantee that it will be. It will still be required to be considered through the normal IDF decision making process. It will, however, automatically be added to the list of projects for evaluation.

There may, in some cases, be need for further engagement with local groups when developing a proposed idea into a project. This will be undertaken by officers during this Step where appropriate to do so, but the project will always remain under the ownership of the Council.

Step 4 - Decisions and Reporting

Service Areas and infrastructure providers will be asked to develop potential projects to meet the results of the engagement where appropriate to do so. The development of these projects may include further engagement with local communities if reasonable to do so.

Appropriate projects will be assessed against one another by officers and approvals to fund

these projects will be sought through the IDF decision-making process. If allocation of funding is considered to be a grant, then the project will go through the oversight process with the Commissioners.

Step 5: Project Delivery

Participants: Council Officers, Local People.

Process: Council Service Areas and other infrastructure delivery bodies will use the allocated monies to implement the infrastructure projects. Progress on the delivery of projects will be appropriately reported to the local community and through the IDF process

6.14 The following timetable is proposed for the implementation of the first round of the LIF process. Subsequent rounds will be programmed in the future.

Action	Dates
Evidence Base (Step 1)	September 16 to March 17
Report consultation papers through IDF up to IDB	April 17 to May 17
Public Consultation (Local Infrastructure Priorities and Project Nomination) (Step 2)	May 17 to July 17
Project Development and Evaluation (Step 3)	July 17 to October 17 and on-going dependent on project requirements
Decisions and Reporting (Step 4)	October 17 to November 17 at earliest, or later dependent on project requirements
Project Delivery (Step 5)	2017/18 and on-going

7. COMMENTS OF THE CHIEF FINANCE OFFICER

7.1 This report recommends that the Mayor in Cabinet approves the adoption and implementation of the Local Infrastructure Fund (LIF) process (shown in Figures 1 and 2), the apportionment of 25% of LBTH Community Infrastructure Levy (CIL) receipts to the LIF, and the adoption of the boundaries outlined in section 6 and shown in Appendix A.

- 7.2 CIL is a pounds per square metre charge on most new development that is paid to the Council. CIL receipts must be used to help deliver infrastructure to support the development of the area.
- 7.3 As outlined in the report, the CIL Regulations require that a share of levy CIL receipts be designated as CIL Neighbourhood Portion, to be spent on '*a) the provision, improvement, replacement, operation or maintenance of infrastructure; or b) anything else that is concerned with addressing the demands that development places on an area*', and that the share of levy receipts should range at least between 15% and 25% of the CIL receipts received.
- 7.4 This report recommends that 25% of the CIL receipts are allocated to the Neighbourhood Portion and established as a Local Infrastructure Fund (LIF). The CIL Regulations allow some discretion over the proportion of CIL receipts allocated to the Neighbourhood Portion, depending on whether there is a Neighbourhood Plan in place or not. As outlined in this report however, it is felt that the most equitable approach is to agree a 25% allocation across all areas of the borough, whether or not they have a Neighbourhood Plan in place.
- 7.5 Figures 1 and 2 outline the proposed process that will be implemented in relation to the new LIF, such as compiling an evidence base, and undertaking consultation. Appendix 1 shows the four proposed consultation areas within the borough. It is anticipated that the functions in Figures 1 and 2 will be absorbed within existing budgets and workloads.
- 7.6 This report outlines that decision making on the use of the Local Infrastructure Fund will be made through the Infrastructure Delivery Framework approved by the Mayor in Cabinet on January 5th 2016. The prioritisation of projects will need to be seen in the context of the Council's Capital Strategy, and this strategy will give direction to the Infrastructure Delivery Steering Group and the Infrastructure Delivery Board in terms of Members' priorities for capital expenditure.

8. LEGAL COMMENTS

- 8.1 This report recommends that the Mayor in Cabinet approve the adoption and implementation of the Local Infrastructure Fund (LIF) process (shown in Figures 1 and 2), approve the apportionment of 25% Community Infrastructure Levy (CIL) receipts as the neighbourhood portion, and agree the recommended neighbourhood boundaries.
- 8.2 Where a development from which CIL is collected falls within the area of a parish council, a collecting authority is required to pay a percentage (either 15% or 25%) of the CIL collected to the parish council. As there are no parish councils operating within the London Borough of Tower Hamlets the Council is required (pursuant to Regulation 59F of the Community Infrastructure Levy Regulations 2010 (as amended)) to use the CIL receipts that would have been passed to the parish council, to support the development of that part of the

charging authorities area that is not within the area of a parish council (in this case the whole borough). This is commonly known as ‘the neighbourhood portion’. Ultimately the Government’s intention was that the neighbourhood portion would be spent on priorities that are agreed with the local community in areas where the development is taking place.

- 8.3 Where there is a neighbourhood plan in place or where all or part of a chargeable development was granted permission by a neighbourhood development order, then the neighbourhood portion is 25% of the CIL receipts. Where neither of these apply, then the portion is 15% subject to a cap of £100 per dwelling in the given area. There are currently no neighbourhood plans or permissions granted by a neighbourhood development order within Tower Hamlets, however there is nothing to stop the Council deciding that it will allocate 25% of CIL receipts in any event. The Council will however be more restricted in the spending of the additional 10%, and will only be able to use it for the purpose set out in limb (a) in the paragraph below.
- 8.4 The charging authority may use the neighbourhood portion of CIL to support the development of the relevant area by funding (a) the provision, improvement, replacement, operation or maintenance of infrastructure; or (b) anything else that is concerned with addressing the demands that development places on an area.
- 8.5 Where the Council retain the neighbourhood portion of CIL receipts the Planning Practice Guidance states that the Council:
- “should engage with the communities where development has taken place and agree with them how best to spend the neighbourhood funding. Charging authorities should set out clearly and transparently their approach to engaging with neighbourhoods using their regular communication tools e.g. website, newsletters, etc. The use of neighbourhood funds should therefore match priorities expressed by local communities, including priorities set out formally in neighbourhood plans”*
- 8.6 The guidance further provides that charging authorities should use existing consultation and engagement processes, including working with any designated neighbourhood forums preparing neighbourhood plans in the area, theme specific neighbourhood groups, local businesses and using networks that ward councillors use. The consultation should be at the neighbourhood level and should be proportionate to the level of levy receipts and the scale of the development to which the neighbourhood funding relates.
- 8.7 The consultation must follow the following common law criteria:
- (a) it should be at a time when proposals are still at a formative stage;
 - (b) the Council must give sufficient reasons for any proposal to permit intelligent consideration and response;
 - (c) adequate time must be given for consideration and response; and
 - (d) the product of consultation must be conscientiously taken into account.

- 8.8 The process outlined above for spending the neighbourhood portion of CIL and the consultation proposed, meets the above guidance and care should be taken as the consultation is carried forward to ensure that it meets the common law requirements.
- 8.9 There is no definition or guidance as to what constitutes a neighbourhood or community for the purpose of the Regulations. The proposed boundaries have been carefully considered and are considered appropriate.
- 8.10 As identified at paragraph 5.13 of this report, in some circumstances the spending of the neighbourhood portion of CIL could amount to a grant. To the extent that the spending amounts to a grant, the approval of the Commissioners will be required.
- 8.11 In taking decisions the Council must have due regard to the need to eliminate unlawful conduct under the Equality Act 2010, the need to advance equality of opportunity and the need to foster good relations between persons who share a protected characteristic and those who don't. A proportionate level of equality analysis is required to discharge the duty.

9. ONE TOWER HAMLETS CONSIDERATIONS

- 9.1 This report deals with the process associated with allocating the Community Infrastructure Levy to deliver infrastructure and address the demands that development places on an area. This process will account for the objectives of One Tower Hamlets and those of the Community Plan and ensure that infrastructure is delivered to help achieve these objectives. It is intended that all of the infrastructure projects that will be funded through the process set out in this report will reduce inequality and foster cohesion in the borough.

10. BEST VALUE (BV) IMPLICATIONS

- 10.1 The proposals set out in this document align with the Council's Best Value Duty – the formation of a new decision-making structure represents an improvement in the way the Council's functions are exercised. The proposals have regard to economy, efficiency, governance and effectiveness in that they add a layer of oversight to the allocation of funding collected through CIL to deliver infrastructure.

11. SUSTAINABLE ACTION FOR GREENER ENVIRONMENT

- 11.1 The processes proposed in this document will ensure effective oversight in using CIL to deliver infrastructure. This will mean that matters such as achieving a sustainable environment will be appropriately accounted for when allocating funding for infrastructure.
- 11.2 In order to ensure compliance with European Legislation (the Habitats and Wild Birds Directives), if the local authority intends to deliver Suitable

Alternative Natural Greenspace, the Council must put in place a system which ensures that mitigation is delivered at a time and place when it will be effective. Further, it must be clear that it intends to prioritise the use of the levy to deliver Suitable Alternative Natural Greenspace and maintain their effectiveness in the long term. This should be included within the Local Plan and could be included within the Council's Reg 123 list. This complements the work that Strategic Planning, LBTH, have developed with regards to a local Green Grid Framework for the Borough.

12. RISK MANAGEMENT

12.1 The proposals set out in this report seek to add a level of oversight to the allocation of CIL to infrastructure projects. This additional oversight will help mitigate against risks such as the misappropriation of funding.

12.2 The proposals in this document also seek to ensure that the allocation of CIL to infrastructure projects is better informed. This will help mitigate the risk of funding not being allocated to the most needed infrastructure projects.

13. CRIME AND DISORDER REDUCTION IMPLICATIONS

13.1 The proposals set out in this report will enable the effective delivery of infrastructure using CIL. This infrastructure might include projects that will help reduce crime and disorder and decrease anti-social behaviour.

14. SAFEGUARDING IMPLICATIONS

14.1 Not applicable.

Linked Reports, Appendices and Background Documents

Linked Report

- None

Appendices

- Appendix A: Proposed Local Infrastructure Fund Areas (LIF)

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

- None

Officer contact details for documents:


Mathew Pullen: Tel: 020 7364 6363

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Appendix A: Proposed Local Infrastructure Fund areas (LIF)



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<p>Cabinet Decision</p> <p>06/12/16</p>	
<p>Report of: Will Tuckley, Corporate Director, Communities, Localities & Culture</p>	<p>Classification: Unrestricted</p>
<p>Boishakhi Mela</p>	

Lead Member	Councillor Asma Begum, Cabinet Member for Culture
Originating Officer(s)	Stephen Murray CLC Head of Arts, Parks and Events
Wards affected	All wards
Key Decision?	Yes
Community Plan Theme	A safe and cohesive community A healthy and supportive community

Executive Summary

The Boishakhi Mela is a Bengali Cultural festival with links to the Bengali New Year. It has been delivered by both the council and by community organisations supported by the Council. The Council ran the event for a three year period from 2009 – 2011. In 2012 the event was delivered by a community organisation, the Boishakhi Mela Community Trust (BMCT) who were successful in an open tender process and had a 9 year contract to deliver the Mela on behalf of the council. The contract required Independent reviews to take place in year 1, 3 and 6 of the contract.

In 2016, BMCT failed to sign up to an amended agreement by the stated deadline which would have seen the current contract cancelled in June 2016. This effectively cancelled the contract and ruled out BMCT running the festival in 2016. Rather than cancel this popular event a decision was taken by the Mayor in Executive to deliver the Mela in house led by the Council’s Events Team.

This report sets out options for future delivery of the Mela.

Recommendations:

The Mayor in Cabinet is recommended to:

1. Review the options for the future delivery of the Mela.
2. Approve the recommendation that the 2017 and 2018 Mela is delivered in house whilst we market test other options outlined in this report.
3. Agree to provide funding up to £170k for the in-house management of the Mela.

1. REASONS FOR THE DECISIONS

- 1.1 Officers recommend that by agreeing to keep the delivery of the Mela in house for 2017 and 2018 this would allow a reasonable length of time to give full consideration to the options on future delivery and test the market.

2. ALTERNATIVE OPTIONS

For future delivery of the Mela we proposed the following 4 options for consideration:

- 2.1 **Option 1** - The tender out as a commercial event opportunity to run a Mela in Weavers Fields or Victoria Park with little or no subsidy from the council.

It is unlikely that any commercial promoters would tender for an opportunity to run the Mela unless they were permitted to ticket the event or elements of the event, as the scope for raising funds through sponsorship and trading is probably not sufficient to generate a reasonable profit. This view is based in part on previous production spend on the Mela against sponsorship and trading income, achieved both when delivered in house and by third party. Also we can find no examples of unticketed commercial run events of similar nature that run without any element of public subsidy.

Pros of commercial tender	Cons of commercial tender
Commercial organisations likely to have experience of managing large outdoor events and have access to the appropriate level of professional expertise	Limited take up of tender opportunity unless allowed to ticket the event. Numbers attending would drop if ticketed. (this happened at London Mela in 2015 which has now stopped)
May find it easier to secure artists	May have to have a looser event spec in order to allow the company more freedom to scope their own delivery model
Likely to have marketing expertise and good access to marketing channels	Fairly specialist area in the world of outdoor music/cultural events which would limit the number likely to be interested.
Less cost to the Council	Would likely lessen the engagement with the local community unless provided with a financial incentive to do so.
May be a good way to widen the audience base for the Mela by more diverse programme	Would be difficult to control artistic content which might not work with core audience

2.2 **Option 2** - Tender out as a community event with some subsidy from the council

When the event was previously tendered out to community organisations there was only one response, BMCT. There would be more of a challenge for council in ensuring a safe event and transparency around finances with regard to audit requirements not being met. It is noted that the event took place in 2015 with no grant, just the cost of in kind delivery by Arts and Events detailed above. However it is unlikely that there would be many community organisations with the capacity to cover the costs in this way from the off even if they could obtain grants from bodies such as the Arts Council. Grants of this nature have largely come to an end in recent times.

Pros of community tender	Cons of community tender
Community ownership and local knowledge	Can be divisive if there are competing elements within the borough
More likely to provide employment and opportunities for training for local residents than a commercial organisation.	Limited number of organisations with capacity and knowledge to take on such a large event and could fail to obtain a licence if plans not robust
	Ongoing costs to Council
	Is likely to be seen as a grant and an earlier decision by the Commissioners was that any grants of this nature should go through the Mainstream Grants process.

2.3 **Option 3** Keep the delivery of the Mela in house

Pros of in house delivery	Cons of in house delivery
Proven track record of effective delivery so lessens risks of poor or no event and community division.	Community may be split over whether this should be a community run event
Enables Council to have maximum control over content and delivery framework	Ongoing costs to council though there is scope for improved sponsorship and trading income over 2016 event – less like for sponsorship if a council event
Ensures effective community engagement	If the event had to be cancelled due to lack of funds available then this could cause reputational damage.

2.4 **Option 4** – Do nothing

The Council could after the delivery of the 2016 Mela announce that it did not

have the resources going forward to either deliver the Mela itself or provide the required level to a third party to deliver the event. This would not stop any organisation coming forward with their proposals to deliver a Mela without funding support which could be evaluated on merit with regard to use of Council parks space.

Pros of doing nothing	Cons of doing nothing
No cost to the council	Reputational damage for ceasing to support an important community event
No risk of managing third party delivery and ensuring transparency and fulfilling of audit requirements	Possibility of having to turn down proposals to run a Mela if they don't meet requirements around safe delivery.
Opens up the opportunity for external groups to come forward with their own proposals	Could open up the possibility of multiple proposals for smaller competing events to replace the Mela.

3. DETAILS OF REPORT

3.1 In 2011 following a Cabinet decision the Council returned the Mela to community management. The Boishakhi Mela Trust (Trust) was successful in tendering for the contract and received the right to manage the Mela for a period of nine years subject to reviews at year one, three and six by an independent panel. The panel is made up of external members from the council and the borough. The completion of the 2014 Mela fell into year three and triggered the second Independent Panel review to take place. However, the review could only take place following the completion of the 2014 audit. This was completed at the end of October 2015 and the review panel met in November 2015.

A key aspect of the Mela management agreement was that the financial support from the Council would taper off over a period of years. In the first year the core grant was up to £150,000 along with a one off payment of £30k (section 106 monies) to support the parade element.

In 2013 the grant was up to £170,000, which was in part informed by the moving of the event from Weavers Fields to Victoria Park and associated costs this would incur.

In 2014 the Trust was approved a grant of £100,000 by the Mainstream Grants Board. Each year the Trust was forward funded the grant of up to 80%.

In 2015 the decision for approval of grant funding to the Trust sat with the Commissioners who did not approve their grant funding application. One of the key reasons the commissioners gave for this decision was the Trust's failure to complete the 2014 audit.

The commissioner decision also required that any future funding applications for the Mela should only be applied for under the MSG process and funding should be applied for a 3 year period. The MSG process for 2015-18 closed and no funding application for the Mela was made by the Trust.

3.2 In house delivery of the Mela 2016

The 2016 Mela was delivered in house by the Council's Arts and Events team on the 31st July in Weavers Fields. The event started with a parade at Buxton Street travelling down Brick Lane, Old Montague Street, Vallance Road into Weavers Fields. Featuring local groups in colourful costumes carrying banners and flags along with a large mobile elephant and turtle with music systems providing dance tracks for several dance groups it was a fantastic sight and great way to kick the Mela off. New features of family tent, sports activities and arts hub all proved very popular.

Estimated audience across the day was 40,000 peaking at around 20,000 late afternoon for the headline acts on the main stage. The council successfully met its key objectives of making the event more family friendly, attracting a more culturally diverse audience along with a minimal impact on the local community. Overall a great success with much positive feedback through NTV on site vox pops, the Mela engagement group and feedback to staff on the day from residents attending the event and in particular from the family and arts hub tents.

3.3 Future Management of the Mela:

The event features one large main stage programme that features both local and International Artists, with no second stage (changes made since 2013). Other attractions include a fairground, presenting a wide range of smaller children's rides and larger rides. The event also hosted a large craft market, food traders and a range of sponsor tents. Newly introduced sports, family tent and art hub were a great success and are proposed to be repeated in future years. The parade was also a great success in 2016 and would be retained if there is sufficient funding available.

3.4 Indicative Budget - In house Delivery

The finances for 2016 Mela are set out below and are set out below

Item	Weavers Fields	
Licences	5,299	
Premises Licence application & PRS Licence		
Security	32,895	
Brick Lane Closure	N/A	
First Aid		

	3,464	
Traffic Management plans	3,695	
Waste Management (neighbouring streets)	7,019	
Internal Traffic management	N/A	
Marketing /PR/design and print and adverts	25,931	
Production Cost (staging, PA, lighting, generators, fencing, water supply, tents, power etc.)	85,369	
Event support staff Site & Technical Production / site Management, Trading coordination, Health & Safety, welfare, site crew, Bangladeshi speaking artist liaison etc. (advancing & Onsite)	34,210	
Admin	N/A	
Hospitality catering (members, guests, sponsors)	1,900	
Crew catering	1,008	
Programme (including – a selection of International artists, visas, flights, hotels, airport transfers, pre-show rehearsals) House Band Local Artists Family tent and sports and arts hub, walkabouts Parade content	43,927 9,754 24,603	
Council internal costs	7020	
Contingency	N/A	
Total Spend	286,134	
Income trading	32,430	
Income sponsors	59,416	
Cost to Council	194,284	

Note: Overall cost increase was approved by the Mayor and supported by increased income from sponsorship which initially was not thought likely in the time frame allowed for delivery.

3.5 Future delivery of the Mela

The Mela is the Council's largest annual festival and holds high importance for the resident Bengali community, brings visitors from far and wide and helps to put the borough on the cultural map. It brings with it many challenges, which are not uncommon in large community events i.e. Notting Hill Carnival, but the council has for many years been successful in either ensuring effective delivery by third parties or delivering the event itself.

As it is effectively now too late for any tendering or commissioning process for a Mela in May 2017, given a decision has yet to be made on options presented in this report, we are recommending that the delivery stays in house for a Mela in 2017.

3.6 In-house management for 2017

The Mela has traditionally taken place in early May on a Sunday. Bearing in mind that Ramadan starts on 27th May in 2017, the ideal day for Mela 2017 would be the 14th May although it could also be considered for Bank Holiday weekend Sunday 30th April. There are some concerns about the weather at this time of year and the negative impact this could have on turnout, it therefore is worth considering having the Mela later in the year after Ramadan when the weather is likely to be much better. It would be very challenging to complete a tender process in time for the desired planning time lines for an event of this size, first planning meeting should be in October 2016. The 2017 Mela could be delivered in house allowing time to market test other options of delivery before making a final decision on future delivery options, which would reduce any risk of failure of tender which could leave limited time to find other options.

4. COMMENTS OF THE CHIEF FINANCE OFFICER

- 4.1 The report sets out for consideration the options for the future delivery of the Mela and recommends that for 2017 and 2018 it is delivered in house. It is suggested this would provide sufficient time following consideration of the options, for the one chosen to be implemented whilst being able to ensure the continuity of the event if so required..
- 4.2 The Boishakhi Mela Community Trust was awarded the contract in 2012 and received £150,000 grant and an additional payment of £30,000. The 2013 and 2014 grants of £170,000 and £100,000 were approved by the Mainstream Grants Board. Payment of 80% of each grant tranche was paid in advance, with the balance being paid upon delivery of the event to the council's satisfaction. The Commissioners appointed by CLG assumed grant making

powers after government direction, and no grant was awarded for the 2015 Mela which was again delivered by the Trust.

- 4.3 The 2016 Mela was delivered in house following the cancellation of the contract with BMCT. A breakdown of the indicative costs for the event is contained within the report. The total cost of the 2016 Mela was £286,134. The breakdown of the funding shows that from trading income and sponsorship a total of £91,846 was received, and a total of £25,000 was contributed from the Arts and Events budget which the Council was already contractually committed to provide as support 'in kind'. The balance of up to £170,000 is to be met from general fund reserves.
- 4.4 The report recommends that for both the 2017 and 2018 Mela is the Council continued to provide the events through an in-house solution. If agreed the resources to support the in-house provision of the Mela on the same scale as in 2016 identified as up to £170,000 will need to be considered as part of the development of the Council's Medium Term Financial Strategy.
- 4.5 The report considers four options for the future delivery of the Mela. The first two options will require a tender process to be commission, either as a commercial event opportunity or as a community event. For both options there is the expectation that some form of subsidy will need to be determined. The third option proposes the continuation with the in-house provision of the Mela, whilst the final option considers ceasing the event either with immediate effect or following the 2017 Mela.
- 4.6 If the decision is made to continue with the provision of the Mela, the option chosen will need to provide a stable and sustainable event that achieves best value for money and minimal financial cost given on-going challenge for the council of closing its funding gap. The extent to which sufficient resources can be identified to fund future events will need to be considered in the light of available resources, including any review of future mainstream grant funding and impact on the Council's Medium Term Financial Strategy.

5. LEGAL COMMENTS

- 5.1 The Council has the power to hold the Mela or allow the holding of the Mela by others and to set aside a park or parts of a park for so doing under section 145 of the Local Government Act 1972.
- 5.2 However, it should be noted that where the Council decides to provide the Mela "in house" then this decision must still represent Best Value for the purposes of section 3 of the Local Government Act 1999
- 5.3 Under section 111 of the Local Government Act 1972 the Council also has the power to do anything incidental to the exercising of any of its functions. Entering into a contract for the performance of a part of its function is incidental to that function. Therefore, in the performance of its leisure function,

and under which it has the power under section 145 to provide for the Mela the Council has the ability to enter into contracts for this purpose also.

- 5.4 Therefore, where the Council determines that the appropriate option is to provide for the Mela “in house”, it has the power to also enter into contracts to purchase items and services to support that in house provision.
- 5.5 However, it should be noted that each of those purchases (if any) will be subject to their own procurements in accordance with the variety of item or services that are being purchased. This potentially could include the application of the Public Contracts Regulations 2015 and the requirement to advertise such purchases in Europe.
- 5.6 Any such purchases will also need to comply with the Council’s constitution and in particular the Procurement Procedures and other Financial Regulations.
- 5.7 The Council will also need to ensure that any such purchases will also meet the Council’s Best Value Duty in accordance with Section 3 of the Local Government Act 1999. However, this will be met if all purchases are subject to an appropriate level of tendering with the winning bidder being chosen following an evaluation representing an appropriate blend of both quality and Price.
- 5.8 The Council may choose to acquire an external organisation to produce the Mela as a whole (alternative options 1 and 2). Regardless of whether or not the external organisation is a local organisation, or a general commercial organisation, the nature of the resulting contract would be a concession. A concession is a breed of services contract, but its nature is one where the organisation who wins the concession as the right to exploit some form of asset (real or intellectual) for some sort of economic benefit.
- 5.9 The Concession Contracts Regulations were enacted into UK law in April 2016. This has brought into British Law the relevant European Directive. Prior to this, Concession agreements were exempt from the application of the Public Contracts Regulations 2015. However, where the value of the Concession is greater than £4,104,394.00 then the Concession must be advertised and procured in accordance with the Concession Contract Regulations.
- 5.10 It should be noted that the value of the concession:
 - 5.10.1 is the total amount of money that could be exploited. In this case this is not only in the form of money in terms of financial support received by the Council (if any) but also includes any other forms of enrichment such as ticket sales, sale of food and drink, the sale of the right to sell food and drink, endorsements, sponsorship etc
 - 5.10.2 does not take into account the contractor’s anticipated expenditure. The value is simply the amount of money that could be brought in rather than profit.

5.10.3 is estimated and aggregated across the whole term of the prospective contract.

- 5.11 However, notwithstanding the foregoing it may be that the value of the concession may not be above the threshold for the application of the Concession Contracts Regulations. However, the European Case of Parking Brixen determines that such a procurement must still be subject to a “reasonable level of advertising”. Therefore, such a concession ought to be advertised at least through the Council’s Tender portal with the choice of winning bidder being subject to an evaluation on a Most Economically advantageous basis.
- 5.12 It is notable also that the Council must also abide by its Section 3 Best Value Duty in respect of the award of any such concession.
- 5.13 The length of time it would take to run a compliant tender process for the concession should be taken into account when making the decision as to the solution for providing the Mela. It is likely that the length of time would be such that it would impact the successful delivery of the Mela for the coming year.
- 5.14 Where an external organisation is chosen to run the Mela and where the Council purports to provide assistance to the winning bidder, either in specific financial support or by providing “in kind” services, it should be noted that such support may well constitute a grant for the purposes of directions made by the Secretary of State on 17 December 2014 pursuant to powers under sections 15(5) and 15(6) of the Local Government Act 1999. If this is the case the approval of the appointed Commissioners must be sought prior to the entering into of any document committing the Council to make such assistance.
- 5.15 When considering and making decisions relating to the future provision of the Mela (including Option 4), the Council must have due regard to the need to eliminate unlawful conduct under the Equality Act 2010, the need to advance equality of opportunity and the need to foster good relations between persons who share a protected characteristic and those who don’t (the public sector equality duty).
- 5.16 The main duty under the Equality Act in respect of these decisions is for the Council to properly understand the impact of its decisions on persons with a protected characteristic. Therefore, the Council is obligated to take all reasonable steps to gain that understanding which in itself will be in part dependent upon the nature of the option being considered. Dependent upon the option the it may be that the Council need to do more than a desk top equality analysis in order to discharge this duty.

6. ONE TOWER HAMLETS CONSIDERATIONS

- 6.1 A Safe and Cohesive Community / Foster greater community cohesion – the Boishakhi Mela attracts a high proportion of Bangladeshi residents and provides a safe, family orientated platform for the promotion of Bengali arts

and culture. The event is free to access and attracts over 40,000 residents. In house delivery will ensure continued delivery of cohesion and communities that get on together through effective community engagement and the delivery of a high quality event.

7. BEST VALUE (BV) IMPLICATIONS

- 7.1 Economy - expenditure to be incurred in managing and delivering the proposed in house delivery of the Boishakhi Mela is detailed in Section 4 of this report. A decision to approve the delivery of the Boishakhi Mela in house in 2017 and 2018 would enable the council to increase the opportunity to leverage sponsorship and other income streams from concessions.
- 7.2 Efficiency and effectiveness – approval to deliver the event in house for 2 years would enable effective use of resources, both in terms of staffing and asset use. Key areas such as community engagement would be better served if the council was able to build more effective partnerships with schools, cultural groups and local businesses in contributing to the delivery of the mela.

8. SUSTAINABLE ACTION FOR A GREENER ENVIRONMENT

- 8.1 No implications identified.

9. RISK MANAGEMENT IMPLICATIONS

- 9.1 The risks associated with not agreeing to the in house delivery of the Mela is set out in Section 2 of the report.

10. CRIME AND DISORDER REDUCTION IMPLICATIONS

- 10.1 No implications identified.

11. SAFEGUARDING IMPLICATIONS

- 11.1 No implications identified.

Linked Reports, Appendices and Background Documents

Linked Report

- NONE

Appendices

- Equality Analysis Quality Assurance Checklist - Appendix 1

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

- NONE

Officer contact details for documents:
Or state N/A

EQUALITY ANALYSIS QUALITY ASSURANCE CHECKLIST

Name of 'proposal' and how has it been implemented (proposal can be a policy, service, function, strategy, project, procedure, restructure/savings proposal)	Boishakhi Mela
Directorate / Service	CLC / Culture, Learning and Leisure
Lead Officer	Stephen Murray
Signed Off By (inc date)	
Summary – to be completed at the end of completing the QA (using Appendix A) (Please provide a summary of the findings of the Quality Assurance checklist. What has happened as a result of the QA? For example, based on the QA a Full EA will be undertaken or, based on the QA a Full EA will not be undertaken as due regard to the nine protected groups is embedded in the proposal and the proposal has low relevance to equalities)	<div style="display: flex; align-items: flex-start;"> <div style="width: 20px; height: 20px; background-color: #00b050; margin-right: 10px;"></div> <div> <p>Proceed with implementation</p> <p>As a result of performing the QA checklist, the proposal does not appear to have any adverse effects on people who share <i>Protected Characteristics</i> and no further actions are recommended at this stage.</p> </div> </div>


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Stage	Checklist Area / Question	Yes / No / Unsure	Comment (If the answer is no/unsure, please ask the question to the SPP Service Manager or nominated equality lead to clarify)
1	Overview of Proposal		
a	Are the outcomes of the proposals clear?	Yes	This proposal sets out options for future delivery of the Mela.

			<p>The decision making body is asked to consider:</p> <ul style="list-style-type: none"> • the options for the future delivery of the Mela • the recommendation that the 2017 Mela is again delivered in house whilst we market test other options outlined in this report.
b	Is it clear who will be or is likely to be affected by what is being proposed (inc service users and staff)? Is there information about the equality profile of those affected?	Yes	<p>This report is to ask the decision making body to consider the options for the future delivery of the Mela.</p> <p>Once a Mela is held, the impact of the event is evaluated by the service. The Mela 2016 was successfully delivered by the Council, which made the event more family friendly and attracted a more culturally diverse audience along with a minimal impact on the local community than the previous years.</p>
2	Monitoring / Collecting Evidence / Data and Consultation		
a	Is there reliable qualitative and quantitative data to support claims made about impacts?	N/A	This report is to ask the decision making body to consider the options for the future delivery of the Mela.
	Is there sufficient evidence of local/regional/national research that can inform the analysis?	Yes	Participation of events by different groups is reviewed by the service.
b	Has a reasonable attempt been made to ensure relevant knowledge and expertise (people, teams and partners) have been involved in the analysis?	N/A	
c	Is there clear evidence of consultation with stakeholders and users from groups affected by the proposal?	Yes	The decision making body is asked to consider the options for the future delivery of the Mela.
3	Assessing Impact and Analysis		
a	Are there clear links between the sources of evidence (information, data etc) and the interpretation of impact amongst the nine protected characteristics?	N/A	This report is to ask the decision making body to consider the options for the future delivery of the Mela.
b	Is there a clear understanding of the way in which proposals applied in the same way can have unequal impact on different groups?	Yes	The Mela 2016 was successfully delivered by the Council. The service will continue making the event more family friendly and attracting a more culturally diverse audience

			along with a minimal impact on the local community than the previous years.
4	Mitigation and Improvement Action Plan		
a	Is there an agreed action plan?	Yes	Once the decision-making body decides which option is to be chosen, the service will work to deliver the option accordingly.
b	Have alternative options been explored	Yes	Four options are set out for the decision making body to consider in the report.
5	Quality Assurance and Monitoring		
a	Are there arrangements in place to review or audit the implementation of the proposal?	Yes	The decision making body is asked to consider the options.
b	Is it clear how the progress will be monitored to track impact across the protected characteristics??	N/A	
6	Reporting Outcomes and Action Plan		
a	Does the executive summary contain sufficient information on the key findings arising from the assessment?	Yes	

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<p>Cabinet</p> <p>6 December 2016</p>	
<p>Report of: Matthew Mannion, Committee Services Manager</p>	<p>Classification: Unrestricted</p>
<p>Mayor's Individual Executive Decisions – List of Recently Published Decisions</p>	

Lead Member	Mayor John Biggs
Originating Officer(s)	Matthew Mannion, Committee Services Manager
Wards affected	All wards
Key Decision?	No
Community Plan Theme	All

Executive Summary

The Council's Constitution provides for the Mayor to take Executive decisions either at meetings of Cabinet or outside of the meetings as Individual Mayoral Decisions.

These individual decisions are published on the Council's website but to aid transparency, this noting report lists recent individual decisions that have been taken.

Recommendations:

The Mayor in Cabinet is recommended to:

1. Note the Individual Mayoral Decisions set out in the Appendices.

1. REASONS FOR THE DECISIONS

- 1.1 This is a noting report to aid transparency.
- 1.2 The reasons each decision were taken are set out in their specific reports.

2. ALTERNATIVE OPTIONS

- 2.1 The alternative option would be to not produce this report, but that would not aid transparency of decision making.

3. DETAILS OF REPORT

- 3.1 The Council's Constitution (Part 4.4 Executive Procedure Rules) sets out that "decisions on executive functions are taken by the Mayor, either at the Cabinet meeting or separately". Decisions taken outside of Cabinet are known as Individual Mayoral Decisions.
- 3.2 The majority of decisions are taken at Cabinet meetings but on occasion, due to the nature of the decision (for example, the urgency required), decisions are taken individually by the Mayor outside of the Cabinet meetings.
- 3.3 Any individual decisions taken must follow standard procedures including, for Key Decisions, advance publication of a notice to take the decision on the website. The sign-off sheets containing an introduction to the decisions and the decisions taken along with the full decision reports are published on the website once the decision has been taken and are available on the Tower Hamlets website through www.towerhamlets.gov.uk/committee.
- 3.4 If a specific decision report is Exempt/Confidential under the Access to Information Procedure Rules (Part 4.2 of the Constitution) then notice that the decision has been taken will still be published along with the reason why the report is exempt but the report itself will not be published. In other cases only part of the report may be exempt.
- 3.5 In line with the Constitution, all Individual Mayoral Decisions are subject to the Call-In procedure (Part 4.5 Overview and Scrutiny Procedure Rules). Councillors may call-in the decision within 5 working days of the decision being published on the website.
- 3.6 Each individual decision is given a unique reference number which is recorded on the relevant sign-off sheet and agenda front sheet. Numbers from 101 upwards relate to individual decisions taken by Mayor John Biggs.
- 3.7 The Mayor has requested that, to aid transparency, a noting report be presented at each Cabinet meeting listing recent Individual Mayoral Decisions. The sign-off sheets for each decision are also appended to this report for information.

3.8 The list of decisions to report to this Cabinet meeting are:

List of Individual Mayoral Decisions taken since the last report

Decision Number	Date of Decision*	Report Title	Sign off Sheet
137	15 November 2016	Middlesex Street	Appendix 1
138	18 November 2016	Tower Hamlets and Canary Wharf FE Education Trust Appointments	Appendix 2

* The date of the decision refers to the date of publication on the Council's website.

4. COMMENTS OF THE CHIEF FINANCE OFFICER

4.1 This is a noting report. The comments of the Chief Financial Officer in relation to each individual decision have been incorporated into each respective report.

5. LEGAL COMMENTS

5.1 This is a noting report. Legal comments in relation to each individual decision have been incorporated into each respective report.

5.2 The decision making processes set out in the Constitution and outlined above are in accordance with the legislation governing local authority decision making including the Local Government Act 2000 (as amended) and The Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012.

6. ONE TOWER HAMLETS CONSIDERATIONS

6.1 None directly related to this report.

7. BEST VALUE (BV) IMPLICATIONS

7.1. None directly related to this report.

8. SUSTAINABLE ACTION FOR A GREENER ENVIRONMENT

8.1 None directly related to this report.

9. RISK MANAGEMENT IMPLICATIONS

9.1 None directly related to this report.

10. CRIME AND DISORDER REDUCTION IMPLICATIONS

10.1 None directly related to this report.

11. SAFEGUARDING IMPLICATIONS

11.1 None directly related to this report.

Linked Reports, Appendices and Background Documents

Linked Report

- None

Appendices


- As listed under Paragraph 3.8

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

- None

Officer contact details for documents:

- Matthew Mannion, Committee Services Manager, 020 7364 4651

<p>Individual Mayoral Decision</p> <p>Decision Log No: 137</p>	 <p>TOWER HAMLETS</p>
<p>Report of: Corporate Director, Development & Renewal</p>	<p>Classification: Unrestricted</p>
<p>Disposal of Land at Middlesex Street, London, EC3</p>	

Is this a Key Decision?	Yes
Decision Notice Publication Date:	12 October 2016
General Exception or Urgency Notice published?	Not required
Restrictions:	None
Reason for seeking an Individual Mayoral Decision:	In order to secure the sale receipt in an expeditious manner

EXECUTIVE SUMMARY

The council owns a number of assets that are currently vacant or underused. These assets are an additional burden at a time of fiscal constraint.

The council continuously reviews the opportunities that are available through these buildings and sites, including bringing them back into use, developing them as council-led projects or as part of a disposal programme.

This report sets out the proposal for the disposal of land at Middlesex Street, London, EC3. The sale is to be on a freehold basis, to the owners of the adjoining site and for the sum of £2,700,000.

Full details of the decision sought, including setting out the reasons for the recommendations and/or all the options put forward; other options considered; background information; the comments of the Chief Finance Officer; the concurrent report of the Head of Legal Services; implications for One Tower Hamlets; Risk Assessment; Background Documents; **and other relevant matters are set out in the attached report.**

DECISION

The Mayor is recommended to:

1. Agree that the land at Middlesex Street, London, EC3 (as shown on the plan in Appendix A) are surplus to the council's operational requirements;
2. Agree to dispose of the land to Daejan Holdings Limited for a sale price of £2,700,000 (two million and seven hundred thousand pounds);

3. Note that the sale will be on a freehold basis and to a special purchaser, via direct negotiation;
4. Authorise the Corporate Director, Development and Renewal, following consultation with the Director of Law Probity and Governance, to agree the terms and conditions of any agreements required to implement the recommendations above;
5. Note that under the Directions, issued by the Secretary of State for Communities and Local Government, the council will be required to obtain prior written agreement, of the Commissioners, to the sale.

APPROVALS


1. (If applicable) Corporate Director proposing the decision or his/her deputy

I approve the attached report and proposed decision above for submission to the Mayor.

Signed  Date 12/11/16.....

2. Chief Finance Officer or his/her deputy

I have been consulted on the content of the attached report which includes my comments.

Signed  Date 14/11/16.....

3. Monitoring Officer or his/her deputy

I have been consulted on the content of the attached report which includes my comments.

(For Key Decision only – delete as applicable)

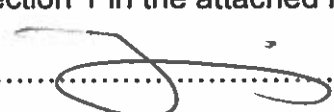
I confirm that this decision:-


- (a) has been published in advance on the Council's Forward Plan OR
- ~~(b) is urgent and subject to the 'General Exception' or 'Special Urgency' provision at paragraph 18 or 19 respectively of the Access to Information Procedure Rules.~~

Signed  Date 14/11/16.....

4. Mayor

I agree the decision proposed in paragraph above for the reasons set out in section 1 in the attached report.

Signed  Date 15/11/16.....

Individual Mayoral Decision Proforma Decision Log No: <u>138</u>	 TOWER HAMLETS
Report of: Charles Yankiah, Senior Committee Officer	Classification: Unrestricted
Nominations to Tower Hamlets and Canary Wharf Further Education Trust and London Housing Consortium	

Is this a Key Decision?	No
Decision Notice Publication Date:	(Report author to state date of decision notice – either individual notice or within the Forward Plan)
General Exception or Urgency Notice published?	Not required
Restrictions:	
Reason for seeking an Individual Mayoral Decision:	This is a Non-Key issue that requires a prompt decision to allow representatives to be appointed to the Trust

EXECUTIVE SUMMARY

The Mayor has responsibility for appointing representatives to certain External Bodies on behalf of Tower Hamlets Council. This report sets out the appointments that are required to Tower Hamlets and Canary Wharf Further Education Trust and the London Housing Consortium. These appointments are until further notice.

Full details of the decision sought, including setting out the reasons for the recommendations and/or all the options put forward; other options considered; background information; the comments of the Chief Finance Officer; the concurrent report of the Head of Legal Services; implications for One Tower Hamlets; Risk Assessment; Background Documents and other relevant matters are set out in the attached report.

DECISION

The Mayor is recommended to:

1. Agree the nomination of Councillor Rachel Blake and Christine McInnes (Service Head, Learning & Achievement) to serve on the Board of Tower Hamlets and Canary Wharf Further Education Trust until further notice; and

2. Agree the nomination of Councillor Rachel Blake and Councillor Joshua Peck to serve on the London Housing Consortium until further notice.

APPROVALS

1. **(If applicable) Corporate Director proposing the decision or his/her deputy**

I approve the attached report and proposed decision above for submission to the Mayor.

Signed  Date 15/11/16

2. **Chief Finance Officer or his/her deputy**

I have been consulted on the content of the attached report which includes my comments.

Signed  Date 15/11/16

3. **Monitoring Officer or his/her deputy**

I have been consulted on the content of the attached report which includes my comments.

(For Key Decision only – delete as applicable)

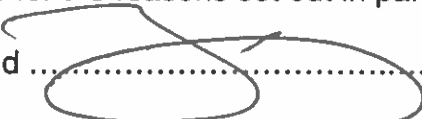
I confirm that this decision:-

- (a) has been published in advance on the Council's Forward Plan OR
- (b) is urgent and subject to the 'General Exception' or 'Special Urgency' provision at paragraph 18 or 19 respectively of the Access to Information Procedure Rules.

Signed  Date 15/11/16

4. **Mayor**

I agree the decision proposed in the recommendations paragraph above for the reasons set out in paragraph 1.1 in the attached report.

Signed  Date 15/11/16

<p>Cabinet</p> <p>6th December 2016</p>	
<p>Report of: Zena Cooke, Corporate Director of Resources</p>	<p>Classification: Unrestricted</p>
<p>Corporate Directors' Decisions</p>	

Lead Member	Councillor David Edgar, Cabinet Member for Resources
Originating Officer(s)	Alimul Kadir, Accountant - Financial Planning
Wards affected	All wards
Key Decision?	No
Community Plan Theme	One Tower Hamlets

Executive Summary

This report sets out Corporate Directors' decisions under Financial Regulation B10 which stipulates that such decisions be the subject of a noting report to Cabinet if they involve expenditure between £100,000 and £250,000.

Recommendations:

The Mayor in Cabinet is recommended to:

1. Note the Corporate Directors' decision set out in Appendix 1.

1. REASONS FOR THE DECISIONS

- 1.1 Financial Regulations require that regular reports be submitted to Cabinet setting out financial decisions taken under Financial Regulation B10.
- 1.2 The regular reporting of Corporate Directors' Decisions should assist in ensuring that Members are able to scrutinise officer decisions.

2. ALTERNATIVE OPTIONS

- 2.1 The Council is bound by its Financial Regulations (which have been approved by Council) to report to Cabinet setting out financial decisions taken under Financial Regulation B10.
- 2.2 If the Council were to deviate from those requirements, there would need to be a good reason for doing so. It is not considered that there is any such reason, having regard to the need to ensure that Members are kept informed about decisions made under the delegated authority threshold and to ensure that these activities are in accordance with Financial Regulations.

3. DETAILS OF REPORT

- 3.1 Financial Regulation B10 sets out the Cabinet Reporting Thresholds for the following financial transactions:
 - Virements
 - Capital Estimates
 - Waiving Competition Requirements for Contracts and Orders (Subject to EU threshold)
 - Capital Overspends
 - Settlement Of Uninsured Claims
- 3.2 Under Financial Regulation B10, if the transaction involves a sum between £100,000 and £250,000 it can be authorised by the Corporate Director under the scheme of delegation but must also be the subject of a noting report to the next available Cabinet.
- 3.3 There have been five new Corporate Directors' Decisions between £100,000 and £250,000 since the last report on 4th October 2016.
- 3.4 The decision to extend the contract with Barts Health NHS Trust for the UNICEF Baby Friendly Initiative (reference 057-2016/17) is the third in a series of decisions covering this arrangement. The extensions are principally due to ongoing works in finalising a Section 75 Agreement to transfer the responsibility of commissioning part of this service to Tower Hamlets Clinical Commissioning Group. The value of the most recent extension is £49,630, and the cumulative total is £144,964.

- 3.5 There are four decisions to add projects to the capital programme, following confirmation of funding from Transport for London (TfL). Three of these projects are for the construction of various routes as part of TfL's Quietways network. The fourth is for the provision of cycle parking.
- 3.6 The details of the decisions referred to in 3.3 to 3.5 are provided within Appendix 1.

4. COMMENTS OF THE CHIEF FINANCE OFFICER

- 4.1 The comments of the Chief Financial Officer have been incorporated into the report and Appendix.

5. LEGAL COMMENTS

- 5.1 The report sets out individual Corporate Directors' Decisions for noting by Cabinet, as required by Financial Regulation B10.
- 5.2 Internal guidelines have been published setting out the process by which Records of Corporate Directors' Decisions are completed. These specify that the proposed decision must be in accordance with the Council's Financial Regulations and its Procurement Procedures. There are limited circumstances in which a waiver of the Procurement Procedures is permissible and the guidelines reinforce that waivers should not be sought as a substitute for proper planning.
- 5.3 Each director's decision requires prior authorisation by the relevant service head, the responsible procurement officer, the directorate finance manager, and the chief legal officer before agreement by the corporate director. A template form is completed to record each director's decision and these Records of Corporate Directors' Decisions (RCDDs) must be maintained by each directorate. The legal implications of each of the individual decisions are provided as part of the decision making process and are recorded on the relevant RCDD.

6. ONE TOWER HAMLETS CONSIDERATIONS

- 6.1 This report is concerned with the notification of officers' decisions under Standing Orders and has no direct One Tower Hamlets implications. To the extent that there are One Tower Hamlets Considerations arising from the individual decisions, these would have been addressed in the records of each decision.

7. BEST VALUE (BV) IMPLICATIONS

- 7.1 Best Value implications associated with each of the Corporate Directors' decisions as set out in Appendix 1 would have been identified and evaluated as an integral part of the process which led to the decision.

8. SUSTAINABLE ACTION FOR A GREENER ENVIRONMENT

8.1 There are no Sustainable Action for A Greener Environment implications arising from this report.

9. RISK MANAGEMENT IMPLICATIONS

9.1 The risks associated with each of the Corporate Directors' decisions as set out in Appendix 1 would have been identified and evaluated as an integral part of the process which led to the decision.

10. CRIME AND DISORDER REDUCTION IMPLICATIONS

10.1 There are no Crime and Disorder Reduction implications arising from this report.

11. SAFEGUARDING IMPLICATIONS

11.1 Safeguarding risks or benefits associated with each of the Corporate Directors' decisions as set out in Appendix 1 would have been identified and evaluated as an integral part of the process which led to the decision.

Linked Reports, Appendices and Background Documents

Linked Report

- None

Appendices

- Appendix 1 – Corporate Directors' Decisions under Financial Regulation B10

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

- None

Officer contact details for documents:

- Stephen Adams, Finance Business Partner, Communities, Localities and Culture, Ext. 5212

Appendix 1: Corporate Directors' Decisions under Financial Regulation B10

Corporate Director	Reference	Amount	Description of Decision	Justification for Decision	Contractor's Name and Address	Date signed	Contact
Denise Radley Adults' Services	042-2015/16 090-2016/17 057-2016/17	£71,500 £23,834 £49,630 Cumulative total: £144,964	Waiver of Financial Regulations for a total 15 month extension (6 + 2 + 7) to Barts Health NHS Trust, for the provision of the UNICEF Baby Friendly Initiative.	<p>This service seeks to maintain UNICEF Baby Friendly accreditation in both hospital and community settings by ensuring that all relevant clinical and organisational policies are kept up to date regarding best practice guidance on infant feeding, that all relevant policies are fully implemented, and that UNICEF standards are met.</p> <p>There are two elements to this service; health visiting, and maternity. Responsibility for commissioning the health visiting services transferred from NHS England to the local authority in October 2015, with the contract with Barts expiring in March 2016. The initial 6 month extension was to allow the two services to be re-procured separately from April 2016 through the Council's Health Visiting contract and the Clinical Commissioning Group's (CCG) Maternity services contract.</p> <p>Subsequent extensions to December 2016 have resulted from delays in respect of a Section 75 Agreement to transfer the responsibility of commissioning the maternity element to Tower Hamlets CCG.</p>	Barts Health NHS Trust First Floor, Beaumont House Mile End Hospital Bancroft Road London E1 4DG	13/11/2015 07/06/2016 03/11/2016	Esther Trenchard-Mabere Associate Director of Public Health Ext. 7389
Will Tuckley Communities, Localities and Culture	033-2016/17	£196,859	Adoption of capital estimate for the Quietway 6: Bancroft/Warley Street project. This approval is in excess of the noting report threshold of £100k.	<p>Transport for London (TfL) are developing a network of Quietway cycle routes throughout London. These are routes along quiet back streets and parks, catering for less confident cyclists.</p> <p>TfL have confirmed funding for this scheme.</p>	J B Riney Ltd 455 Wick Lane London E3 2TB	01/11/2016	Robert Morton Active Travel Officer Ext. 6940
Will Tuckley Communities, Localities and Culture	039-2016/17	£143,027	Adoption of capital estimate for the Quietway 6: Old Ford/Armagh Road project. This approval is in excess of the noting report threshold of £100k.	<p>Transport for London (TfL) are developing a network of Quietway cycle routes throughout London. These are routes along quiet back streets and parks, catering for less confident cyclists.</p> <p>TfL have confirmed funding for this scheme.</p>	J B Riney Ltd 455 Wick Lane London E3 2TB	01/11/2016	Robert Morton Active Travel Officer Ext. 6940

Corporate Director	Reference	Amount	Description of Decision	Justification for Decision	Contractor's Name and Address	Date signed	Contact
Will Tuckley Communities, Localities and Culture	046-2016/17	£150,000	Adoption of capital estimate for the Greenway Quietway route: Wick Lane/Monier Road underpass project. This approval is in excess of the noting report threshold of £100k.	Transport for London (TfL) are developing a network of Quietway cycle routes throughout London. These are routes along quiet back streets and parks, catering for less confident cyclists. TfL have confirmed funding for this scheme.	J B Riney Ltd 455 Wick Lane London E3 2TB	01/11/2016	Robert Morton Active Travel Officer Ext. 6940
Will Tuckley Communities, Localities and Culture	053-2016/17	£115,000	Adoption of capital estimate for the Borough Cycle Parking project. This approval is in excess of the noting report threshold of £100k.	Confirmation of funding from TfL for Borough Cycle Parking.	J B Riney Ltd 455 Wick Lane London E3 2TB	01/11/2016	Robert Morton Active Travel Officer Ext. 6940