

# 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, 7 February 2017 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:**

Matthew Mannion, Democratic Services,  
1st Floor, Town Hall, Mulberry Place, 5 Clove Crescent, London, E14 2BG  
Tel: 020 7364 4651  
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Web: <http://www.towerhamlets.gov.uk>

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## Public Information

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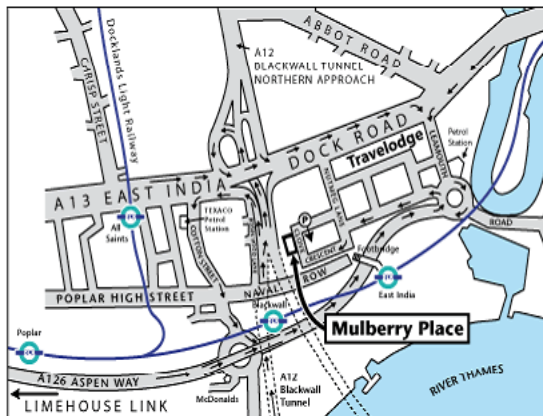
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## A Guide to CABINET

### **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](http://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, 9 February 2017**
- The deadline for call-ins is: **Tuesday, 14 February 2017**

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

### **Public Engagement at Cabinet**

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

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

# LONDON BOROUGH OF TOWER HAMLETS

## CABINET

TUESDAY, 7 FEBRUARY 2017

5.30 p.m.

- |  | <b>Pages</b>     |
|--|------------------|
| <b>1. APOLOGIES FOR ABSENCE</b>  |                  |
| To receive any apologies for absence.  |                  |
| <b>2. DECLARATIONS OF DISCLOSABLE PECUNIARY INTERESTS</b>  | <b>383 - 386</b> |
| 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. |                  |
| <b>3. UNRESTRICTED MINUTES</b>   | <b>387 - 404</b> |
| The unrestricted minutes of the Cabinet meeting held on 10 <sup>th</sup> January, 2017 are presented for approval.   |                  |
| <b>4. OVERVIEW &amp; SCRUTINY COMMITTEE</b>  |                  |
| <b>4.1 Chair's Advice of Key Issues or Questions</b>   |                  |
| Chair of Overview and Scrutiny Committee (OSC) to report on any issues raised by the OSC in relation to unrestricted business to be considered.  |                  |
| <b>4.2 Any Unrestricted Decisions "Called in" by the Overview &amp; Scrutiny Committee</b>   |                  |
| (Under provisions of Article 6 Para 6.02 V of the Constitution).   |                  |

## 5. UNRESTRICTED REPORTS FOR CONSIDERATION

<b>5 .1</b>	<b>General Fund Revenue and Capital Budget and Medium Financial Plan 2017/18 to 2019/20</b>	
	<p><b>Report Summary:</b> To set out the issues bearing on financial planning for the authority over the next three years and to agree an approach to delivering a medium term sustainable financial position over that period, bearing in mind the risks and unknowns.</p> <p>And to agree a draft budget for 2017/18 to be put forward for Full Council consideration.</p> <p><b>Wards:</b> All Wards <b>Lead Member:</b> Cabinet Member for Resources <b>Corporate Priority:</b> A transformed council, making best use of resources and with an outward looking culture</p>	
<b>5 .2</b>	<b>Treasury Management Strategy Statement 2017/18</b>	<b>405 - 454</b>
	<p><b>Report Summary:</b> To note the report and approve for submission to Full Council</p> <p><b>Wards:</b> All Wards <b>Lead Member:</b> Cabinet Member for Resources <b>Corporate Priority:</b> A transformed council, making best use of resources and with an outward looking culture</p>	
<b>5 .3</b>	<b>Housing Revenue Account Budget Report 2017/18</b>	<b>455 - 480</b>
	<p><b>Report Summary:</b> Approve the Tower Hamlets Homes Management Fee 2017/18 Approve the Housing Revenue Account Draft Budget 2017/18 Approve 2017/18 housing capital estimates.</p> <p><b>Wards:</b> All Wards <b>Lead Member:</b> Cabinet Member for Resources <b>Corporate Priority:</b> A transformed council, making best use of resources and with an outward looking culture</p>	
<b>5 .4</b>	<b>Establishing Housing Delivery Vehicles</b>	<b>481 - 502</b>
	<p><b>Report Summary:</b> This report proposes establishing bespoke housing delivery vehicles to expand the Council's range of interventions in the housing market and provide a range of new homes to meet the needs of the rapidly growing local population.</p> <p><b>Wards:</b> All Wards <b>Lead Member:</b> Cabinet Member for Strategic Development <b>Corporate Priority:</b> A transformed council, making best use of resources and with an outward looking culture</p>	

<b>5.5 Strategic Plan 2016-19 - Delivery Plan 2017/18</b>	<b>503 - 526</b>
<b>Report Summary:</b>	
This report presents the draft Strategic Plan 2017-18 at appendix one for approval by the Mayor in Cabinet. It details the Councils priorities and outcomes that will be delivered over the next year in the context of national, regional and local challenges and opportunities.	
<b>Wards:</b>	All Wards
<b>Lead Member:</b>	Mayor
<b>Corporate Priority:</b>	(All Corporate Priorities)
<b>5.6 Delivering the Prevent Duty; Promoting Safeguarding in Tower Hamlets</b>	<b>527 - 580</b>
<b>Report Summary:</b>	
To agree the recommendations and action plan in response to the Scrutiny Review of the Prevent Strategy and delivery in Tower Hamlets.	
<b>Wards:</b>	All Wards
<b>Lead Member:</b>	Deputy Mayor and Cabinet Member for Community Safety
<b>Corporate Priority:</b>	Creating opportunity by supporting aspiration and tackling poverty
<b>5.7 Review of Maternity Services at the Royal London Hospital</b>	<b>581 - 642</b>
<b>Report Summary:</b>	
This paper submits the report and recommendations of the Health Scrutiny sub-committee Scrutiny Review on Maternity Services, and the 'Action Plan' for implementation.	
The Mayor in Cabinet is required to note the scrutiny review report as agreed by the Health Scrutiny Panel on 28th June 2016 and agree the 'Action Plan' in response to the review recommendations.	
<b>Wards:</b>	All Wards
<b>Lead Member:</b>	Cabinet Member for Health and Adult Services
<b>Corporate Priority:</b>	Creating opportunity by supporting aspiration and tackling poverty
<b>5.8 Exam Results 2016</b>	<b>643 - 664</b>
<b>Report Summary:</b>	
To note the results for 2016.	
<b>Wards:</b>	All Wards
<b>Lead Member:</b>	Deputy Mayor and Cabinet Member for Education and Children's Services
<b>Corporate Priority:</b>	Creating opportunity by supporting aspiration and tackling poverty

**5.9 School Admissions 2018/19****665 - 754****Report Summary:**

To consider the admissions criteria for 18/19.

**Wards:** All Wards

**Lead Member:** Deputy Mayor and Cabinet Member for Education and Children's Services

**Corporate Priority:** Creating opportunity by supporting aspiration and tackling poverty

**5.10 Accommodation and Space Management Policy****755 - 782****Report Summary:**

To note the council's Accommodation and Space Management policy.

To note, in the policy, the inclusion of an asset rental account model, which the council committed to consider as part of the Best Value Action Plan.

**Wards:** All Wards

**Lead Member:** Cabinet Member for Resources

**Corporate Priority:** Creating and maintaining a vibrant, successful place

**5.11 Ombudsman Formal Report****783 - 808****Report Summary:**

To note the LGO formal report regarding the Council.

**Wards:** All Wards

**Lead Member:** Mayor

**Corporate Priority:** A transformed council, making best use of resources and with an outward looking culture

**5.12 Contracts Forward Plan - Quarter 4 (2016-2017)****809 - 828****Report Summary:**

To note the forward plan for quarter 4.

**Wards:** All Wards

**Lead Member:** Cabinet Member for Resources

**Corporate Priority:** A transformed council, making best use of resources and with an outward looking culture

**5 .13 Corporate Directors' Decisions****829 - 834****Report Summary:**

To note recent Corporate Director Decisions.

**Wards:** All Wards

**Lead Member:** Mayor

**Corporate Priority:** A transformed council, making best use of resources and with an outward looking culture

**5 .14 List of Individual Executive Mayoral Decisions****835 - 842****Report Summary:**

Report to note any executive mayoral decisions taken outside of meetings since the report to the January Cabinet meeting.

**Wards:** All Wards

**Lead Member:** Mayor

**Corporate Priority:** A transformed council, making best use of resources and with an outward looking culture

**5 .15 Updates to Lead Member Responsibilities****843 - 848****Report Summary:**

A noting report providing an update on some adjustments to Cabinet Lead Member portfolios.

**Wards:** All Wards

**Lead Member:** Mayor

**Corporate Priority:** A transformed council, making best use of resources and with an outward looking culture

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

Nil items

**7. EXCLUSION OF THE PRESS AND PUBLIC**



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

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

**EXEMPT/CONFIDENTIAL SECTION (PINK)**

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

**8. EXEMPT / CONFIDENTIAL MINUTES**

Nil items

**9. OVERVIEW & SCRUTINY COMMITTEE**

**9 .1 Chair's Advice of Key Issues or Questions in Relation to Exempt / Confidential Business**

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

**9 .2 Any Exempt / Confidential Decisions "Called in" by the Overview & Scrutiny Committee**

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

**10. EXEMPT / CONFIDENTIAL REPORTS FOR CONSIDERATION**

Nil items

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

Nil items

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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 and Interim Monitoring Officer. Tel 020 7364 4800

## APPENDIX A: Definition of a Disclosable Pecuniary Interest

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

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

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**LONDON BOROUGH OF TOWER HAMLETS**

**MINUTES OF THE CABINET**

**HELD AT 5.30 P.M. ON TUESDAY, 10 JANUARY 2017**

**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 Asma Begum	(Cabinet Member for Culture)
Councillor David Edgar	(Cabinet Member for Resources)
Councillor Ayas Miah	(Cabinet Member for Environment)

**Other Councillors Present:**

Councillor Ohid Ahmed  
Councillor Marc Francis  
Councillor John Pierce  
Councillor Andrew Wood  
Councillor Shah Alam

**Apologies:**

Councillor Rachel Blake	(Cabinet Member for Strategic Development)
Councillor Joshua Peck	(Cabinet Member for Work & Economic Growth)
Councillor Amy Whitelock Gibbs	Cabinet Member for Health & Adult Services

**Officers Present:**

Claire Belgard	(Interim Divisional Director, Youth Services)
Zena Cooke	(Corporate Director, Resources)
Aman Dalvi	(Corporate Director, Place)
Afazul Hoque	Interim Service Manager, Strategy, Policy & Performance
Shazia Hussain	(Divisional Director for Customer Access)
Paul Leeson	(Finance Manager, Development & Renewal)
Chris Lovitt	Associate Director of Public Health
Ronke Martins-Taylor	(Interim Divisional Director, Youth Services)

Neville Murton	(Divisional Director, Finance, Procurement & Audit)
Denise Radley	(Corporate Director, Health, Adults & Community)
Peter Robbins	Head of Mayor's office
David Tolley	(Head of Environmental Health and Trading Standards)
Will Tuckley	(Chief Executive)
Graham White	(Interim Corporate Director, Governance)
Steve Hill	(Head of Grants & Benefits Service)
David Knight	(Senior Democratic Services Officer)

## 1. APOLOGIES FOR ABSENCE

Apologies for absence were received on behalf of:

- Councillor Joshua Peck (Cabinet Member for Work and Economic Development)
- Councillor Rachel Blake (Cabinet Member for Strategic Development)
- Councillor Amy Whitelock Gibbs (Cabinet Member for Health and Adult Services)

## 2. DECLARATIONS OF DISCLOSABLE PECUNIARY INTERESTS

Councillor Ayas Miah declared an interest in Agenda Item 5.12 (Individual Executive Mayoral Decisions) as his father held an interest in a shop on Ben Johnson Road. Whilst this was not a Pecuniary Interest, for the avoidance of doubt he would leave the room for the duration of that item.

## 3. UNRESTRICTED MINUTES

### DECISION

1. That the Minutes of the Cabinet meeting held on Tuesday 6 December 2016 be approved and signed by the Mayor as a correct record of proceedings.

## 4. OVERVIEW & SCRUTINY COMMITTEE

### 4.1 Chair's Advice of Key Issues or Questions

Pre-Decision Scrutiny Questions, and responses, were tabled in respect of Agenda Item 5.2 (General Fund Revenue and Capital Budget and Medium Term Financial Plan 2017/18 to 2019/20) and Item 5.4 (Local Council Tax Reduction Scheme 2017/81). The questions were considered when each item was taken.

Councillor John Pierce, Chair of the Overview and Scrutiny Committee (OSC), then addressed Cabinet to update them on the meeting of the OSC the previous week.

He reported that:



1. Councillors had considered and reviewed the Council's mid-year progress implementing the Strategic Plan and an update on performance of strategic measures at the six month stage.
2. The Mayor had provided context and background to the report and alerted the committee to the development of the updated and refreshed Strategic Plan that will be approved by Cabinet along with the budget at its meeting in February 2017.
3. The Mayor had indicated that the Strategic Plan would be aligned with the Outcome Based Budgeting approach and the rolling 3 year Medium Term Financial Plan and would impact on the nature of the performance management arrangements and form of the future monitoring reports. There will be a clear link between resource allocation and specific metrics designed to measure outcome achievement and contribution to the council's key strategic priorities.
4. The Councillors had noted the range improving performance activity in a number of key service and priority areas, however expressed concern at the continuing performance level regarding sickness absence management and requested further information in relation to the Waste Management contract and Special Educational Need provision, funding and performance.
5. Pre decision scrutiny – Local Council Tax reduction scheme 2017/18
6. The Committee had reviewed the basis for and associated consultation evidence which has been used to inform the development of the Local Council Tax reduction scheme for 2017/18. Information was provided on the historical and statutory basis for the scheme and the proposed strategic approach for 2017/18. In addition the requirement for the final scheme to be approved at the Full Council meeting on 18 January 2017.
7. Councillors had raised a number of strategic approach and practical and detailed implementation questions and queries in relation to the proposed approach for 2017/18, a number of which were answered during the debate. Questions requiring further clarification are included later in this briefing.
8. The Committee had supported in principle the suggested approach, particularly the current direction of travel and the commitment to continuing support for those households that qualify for 100 % reduction in Council tax liability.

#### **Pre decision scrutiny – Fees and Charges 2017/18**

9. The Cabinet Member for Resources introduced this item and gave an overview of the strategic approach to fees and charges income for the coming year and the varied nature of the range of statutory and discretionary fees and charges levied by the council. Councillors asked a number of questions relating to the detailed nature of specific charges, including the historic basis for adult education charges and contractual relationship with the Skills Funding Agency (SFA).

## **Budget Scrutiny**

10. He had introduced this agenda item highlighting the proposed approach to Budget Scrutiny this year and the key drivers for this approach including the scale of funding and service changes, the introduction of the Outcome Based Budgeting approach and the Transformation programme.
11. This initial session for the committee had taken a strategic approach looking at the overall budget package, key drivers for change and the proposed approach to transformation. This included review and consideration of the Mayors strategic approach and the links between the proposed budget, Medium Term Financial Plan, Treasury Management approach and the refreshed strategic plan.
12. The Committee had also reviewed the nature of the financial resources funding the budget including council tax and business rates, reserves policy, schools funding, Capital and HRA budgets and the robustness of the approach to risk.
13. There had also been a review of the range of budget pressures and proposed growth allocations along with an overview of the extensive range of savings proposals. The next part of the budget scrutiny process will be an informal workshop at 18.00 on 16 January 2017 at the Town Hall, which will be more focused on the in-depth review and scrutiny of a small number of key elements of the proposed budget.
14. The suggested focus and lens for the scrutiny work would be on the following priority areas:
  - Enabling Growth in the Borough and
  - Prevention and proactive initiatives.

In addition that the approach for the in depth reviews should be in determining: Firstly that the proposed outcomes are clear and appropriate and that the evidence base and rationale is robust, and to consider areas of significant risk and the robustness of the mitigation measures.

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

Nil items.

## **5. UNRESTRICTED REPORTS FOR CONSIDERATION**

### **5.1 Mayor's Foreword to the Council's Budget Report**

The meeting received and noted the Mayors Foreword to the Council's Report.

## 5.2 General Fund Revenue and Capital Budget and Medium Term Financial Plan 2017/18 to 2019/20

Councillor David Edgar, Cabinet Member for Resources introduced this report that set out proposals which will form part of the draft Medium Term Financial Plan (MTFP) covering the three year period from 2017/18 to 2019/20. It also focusses on the 2017/18 budget setting process and brings together many of the component elements of that budget.

It was noted that the Mayor in Cabinet is recommended to propose a draft budget for consultation with the Overview and Scrutiny Committee in accordance with the Budget and Policy Framework. Then a further report will then be submitted to the next Cabinet meeting in February detailing feedback from Overview and Scrutiny committee; inviting The Mayor in Cabinet to recommend a Budget Requirement and Council Tax for 2017/18 to Full Council.

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

### RESOLVED

1. To agree the draft General Fund Revenue Funding Requirement of £338.896m subject to any changes arising from the Final Local Government Finance Settlement;
2. To agree Band D Council Tax at £966.80 for 2017/18 to be referred to Full Council for consideration; and
3. To note the following matters:

#### **General Fund Revenue Budget for 2017/18 and Medium Term Financial Plan 2017/18 to 2019/20**

The initial budget proposal and Council Tax for 2017/18 together with the Medium Term Financial Plan set out in **Appendix 1a**.

#### **Budget Consultation**

The outcome of consultation with business ratepayers, residents and other stakeholders as reported to The Mayor in Cabinet in December 2016 and attached for ease of reference at **Appendix 10**.

#### **Funding**

The funding available for 2017/18 and the indications and forecasts for future years set out in **Section 3.4**.

#### **Growth and Inflation**

The risks identified from potential growth and inflation commitments arising in 2017/18 and future years together with new initiatives

identified as Mayoral Priority Growth as set out in **Section 3.5** and in **Appendix 3**.

### **Savings**

New proposed saving items to be delivered in 2017 - 2020 as set out in **Section 3.6** and **Appendix 4** of the report.

### **Financial Risks: Reserves and Contingencies**

The strategic budget risks and opportunities as set out in **Section 3.7** and the assessment of risk at **Appendix 6**.

### **Reserves and Balances**

The proposed approach to the strategic use of reserves set out in **Section 3.8** and the projected movement in Reserves in **Appendix 7**.

### **Dedicated Schools Grant**

The position for the Dedicated Schools Grant as set out in **Section 3.9**.

### **Housing Revenue Account**

The position for the Housing Revenue Account as set out in **Section 3.10** and **Appendix 8**.

### **Capital Programme**

The capital programme to 2019/20; including the proposed revisions to the current programme, as set out in **Section 3.11** and detailed in **Appendix 9** (a – c) in advance of the proposed refresh of the council's capital programme following consideration of revised Capital and Investment strategies in 2017.

To adopt a capital estimate for new schemes detailed in **Appendix 9b**.

#### **Action by:**

**CORPORATE DIRECTOR, RESOURCES (Z. COOKE)**

### **5.3 Council Tax Base 2017/18**

Councillor David Edgar, Cabinet Member for Resources introduced this report that set out the calculation of the Council Tax Base for 2017/18 as is required by statute.

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

**RESOLVED**

1. To approve in accordance with the Local Authorities (Calculation of Council Tax Base) (England) Regulations 2012, that the amount calculated by the London Borough of Tower Hamlets as its Council Tax Base for the year 2017/18 shall be 88,784.

**Action by:**

**CORPORATE DIRECTOR, RESOURCES (Z. COOKE)**

#### **5.4 Local Council Tax Reduction Scheme 2017/18**

Councillor David Edgar, Cabinet Member for Resources introduced this report and it was noted that on 20<sup>th</sup> January, 2016 Full Council had considered the report from Cabinet on the Local Council Tax Reduction Scheme 2016/17.

The recommendations as set out in the report were put to the vote and were agreed.

The decisions made by Full Council were as follows:

1. That the continuation of the current Local Council Tax Reduction Scheme for 2016/17 be approved which will retain the same level of support to all working age Council Tax payers on a low income as set out in the report to Cabinet on 5 January 2016;
2. That it be agreed that the extension of the scheme is for one year only, to be reviewed alongside the impact of the Government's proposed welfare reform changes and an options review for the future of LCTRS during 2016.

This report outlines the schemes that have been considered and consulted upon, the implications of each scheme and the feedback from the consultation. For each financial year, the Council is required to consider whether to revise its scheme or to replace it with a different scheme. Any revision or replacement must be made by 31 January in the financial year preceding that for which the scheme is to take effect. As a result of discussions on this report the Mayor indicated that he wished to make the following amendments to the report:

Delete from **Section 3.17**

- Removing the allowances for the work related activity premium in the Employment Support Allowance (ESA) and for recipient of the family premium for new claims with effect from 1 April 2017. (Allowances for both are included in the current scheme).
- Limit to a maximum of 2 the allowances for children included in the assessment of new claims from 1 April 2017. (There is currently no limit to the number of children included in a claim).

Delete from **Section 3.27**

- Individual element/option 4 All non-dependants income is taken into account as part of household income.

Accordingly the recommendations were amended and then agreed.

Pre-Decision Scrutiny Questions and responses were noted.

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

#### **RESOLVED**

2. To note the feedback from the consultation on the options for the Local Council Tax Reduction scheme;
3. Having considered the options to revise the current Local Council Tax Reduction scheme as set out in paragraphs 3.17 and 3.27 of the report; and
4. Agreed the Local Council Tax Reduction scheme to be recommended to Full Council.

#### **Action by:**

**CORPORATE DIRECTOR, RESOURCES (Z. COOKE)**  
(Head of Benefits Services (S. Hill))

### **5.5 Fees and Charges 2017/18**

Councillor David Edgar, Cabinet Member for Resources introduced this report that detailed the proposed changes to fees and charges across all directorates for the financial year 2017/18. As a result of discussions on the report the Committee noted the key principles that guided the Council's approach to charging for services with regard to Fairness; Rationale & Prioritisation; Stability & Predictability.

According the recommendations were amended and then agreed.

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

#### **RESOLVED**

5. To approve the revised fees and charges for **Adults' Services** as set out in **Appendix 1** to the report with effect from 1<sup>st</sup> April 2017.
6. To approve the revised fees and charges for **Children's Services** as set out in **Appendix 2** to the report with effect from 1<sup>st</sup> April 2017.
7. To approve the revised fees and charges for **Communities, Localities and Culture** as set out in **Appendix 3** to the report with

effect from 1<sup>st</sup> April 2017.

8. To approve the revised fees and charges for **Development & Renewal** as set out in **Appendix 4** to the report with effect from 1<sup>st</sup> April 2017.
9. To approve the revised Nationality Checking Service fees for **Law, Probity and Governance** as set out in **Appendix 5** to the report with effect from 10<sup>th</sup> January 2017.
10. To approve the revised fees and charges for **Law, Probity and Governance** as set out in **Appendix 5** to the report with effect from 1<sup>st</sup> April 2017.
11. To approve the revised fees and charges for **Resources** as set out in **Appendix 6** to the report with effect from 1<sup>st</sup> April 2017.
12. Noted the revised **Statutory** fees and charges as set out in **Appendix 7** to the report with effect from 1<sup>st</sup> April 2017.

**Action by:**

**CORPORATE DIRECTOR, RESOURCES (Z. COOKE)**

(Divisional Director, Finance and Procurement (N. Murton))

**5.6 Housing Revenue Account First Budget and Rent Setting Report - 2017/18 - Lettings Plan Band 3 Quota**

A report was received and noted a report that provided information with regard to the 2016 Welfare Reform and Work Act including the requirement that rents on social housing properties must be reduced by 1% a year for four years from 2016/17. In line with this legislation, the report set out the rent reduction that will be applied to the Authority's rents in 2017/18. The report also sought Cabinet approval of the level of the 2017/18 service charge increase for the year ahead in order for the Council to comply with its statutory duty to notify tenants.

It was also noted that the Housing and Planning Act 2016 includes the requirement for high income local authority households to be charged an increased level of rent (up to market rent). However, it was noted that the Government has since confirmed that this policy will be voluntary for local authorities. Whilst the Council must prepare proposals in January and February each year relating to income from rents and other charges, and expenditure in relation to management and maintenance of its housing stock. A decision being required with regard to rents and service charges in January in order that statutory notice can be given to tenants prior to 1st April implementation.

Finally, concerning Lettings it was noted that the Mayor in Cabinet had agreed changes to the Allocation Scheme and the Lettings Plan for 2016/17 and 2017/18 when the Amendments to the Allocations Scheme and Lettings Plan report had been presented to Cabinet on 1st November, 2016. However, Members had deferred the recommendation made to amend the quota for

Band 3 lets from 10% of one, two and three bed properties to 5% of one bed and studios per annum for consideration at the January Cabinet meeting.

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

## **RESOLVED**

### Housing Revenue Account

1. To note that, under section 23 of the Welfare Reform and Work Act the Authority must implement a rent reduction of 1% for four years starting in 2016/17, and consequently to agree an average weekly rent reduction of 1% to take effect from the first rent week of April 2017.
2. To agree that the average weekly tenanted service charge will increase by 2% from the first rent week in April 2017.
3. To note that section 80 of the Housing and Planning Act 2016 requires local authorities to charge high income social tenants an increased level of rent, (up to market rent levels). However the government has now confirmed that this scheme (Pay to Stay) will now be voluntary for local authorities.
4. To note the risks to the HRA as set out in section 6, and note that the HRA budget will be presented to Cabinet in February 2017 along with updated medium-term financial projections.

### In relation to Lettings

5. To agree to amend the quota for Band 3 lets from 10% of one, two and three bed properties to 5% of one bed / studios and two beds per annum.

Pre-Decision Scrutiny Questions and responses were noted.

#### **Action by:**

**CORPORATE DIRECTOR, PLACE (A. DALVI)**

**CORPORATE DIRECTOR, RESOURCES (Z. COOKE)**

(Finance Manager (P. Leeson)

(Senior Accountant (K. Ball)

(Interim Head of Strategy, Regeneration and Housing Options (M. Baigent)

## **5.7 Six Month Strategic Performance Monitoring report**

A report was received and noted that provided a summary of the Council's mid-year progress implementing the Strategic Plan and update on performance of strategic measures at the six month stage. It was noted that the Council's Performance Management and Accountability Framework sets out the process for monitoring the Strategic Plan and performance measures which are reported regularly to the corporate management team and Cabinet. The report promotes openness, transparency and accountability by enabling Tower Hamlets' residents to track progress of activities that matter most to them and their communities.



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

## **RESOLVED**

1. To note the progress in delivering the Strategic Plan at the 6 month stage, including those activities that are flagged as delayed and overdue (appendix 1 to the report); and
2. To note the performance of the Strategic Measures at the 6 month stage, including those measures where the minimum expectation has been missed (appendix 2 to the report); and
3. To note those activities and measures require improvement and will be referred to the Council's Performance Review Group (PRG) and scrutiny where appropriate.

### **Action by:**

**ACTING CORPORATE DIRECTOR, GOVERNANCE (G. WHITE)**

(Divisional Director, Corporate Strategy and Equalities (S. Godman))

## **5.8 Youth Services Review**

A report was presented that sets out a proposal to transform the Council's youth service with a bold ambition that a transformed youth service will become the recognised leader in providing diverse communities, across Tower Hamlets, with inspiring, positive activities and programmes for young people to use, so that, as they transition into adulthood, they are able to realise their full potential and create better futures. The youth service believes that:

- The safety of young people is its first priority;
- Every young person has worth, value and potential; and
- The diversity of youth contributes to its success.

It was noted that Cabinet was being asked to agree the proposal to commence a restructure of the youth service, from January 2017. The restructure will see the creation of a new, partly internally delivered and partly externally commissioned, youth service which will improve user participation and service outcomes, by empowering the workforce to take responsibility for service delivery and, at the same time, resolving longstanding issues associated with service values and culture. The restructure will maintain the level of delivery provided through the current interim model; and it will also provide a new vision and direction for the youth service which will form the basis of a three year strategic and operational plan. As a result of consideration of this report and representations made by the Trade Unions and 'A' Team Arts regarding the impact of the proposals on the Youth Service. For example the concerns of 'A' Teams Arts should they no longer receive funding.

According the **Mayor** indicated that 'A' Team Arts would continue to be supported and:

### **RESOLVED**

1. To approve Option 1 of the Youth Service Review, subject to the decision of the Council's budget proposals; and
2. To note that the Mayor's announcement that 'A' Team Arts would continue to be supported.

### **Action by:**

#### **CORPORATE DIRECTOR, CHILDREN'S SERVICES (D. JONES)**

(Ronke Martins-Taylor, Youth Services Development Manager and Claire Belgard, Interim Head of Service)

### **5.9 Contractual arrangements for commercial and community events**

A report was noted that set out the recommended contract approaches for two separate contracts relating to the management and delivery of commercial and community events.

It was noted that the current Victoria Park Commercial Events Concession Contract has been in operation since 2014. The report outlined the management arrangements and how these arrangements link into and support the Council's Medium Term Financial Strategy (MTFS). Furthermore, it identified additional management and Executive oversight measures introduced to further mitigate impacts on local residents for the 2016 event season. The existing contract it was noted will expire at the end of 2017 and the report recommended that a new commercial event concession contract is developed and procured to enable the Council to continue investment in parks, open spaces and community events as central government grant reduces further over the coming years.

Separately, the report outlined the contract approach for a new contract for Production and Event Management Services for London Borough of Tower Hamlets Events. The Council it was noted delivers a variety of free to access community events of different scales and complexities. Events including the annual fireworks show in Victoria Park and the Boishakhi Mela. The existing contract for event management and production services it was noted had reached its value limit and a new contract is required to continue the delivery of community events.

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

### **RESOLVED**

4. To agree the procurement and subsequent awarding of a new Production and Event Management Services for London Borough of Tower Hamlets Events contract (for a period of two (2) years with

an option to extend by one (1) year and a further one (1) year) based on the parameters set out in paragraphs 3.48 to 3.51 of the report;

5. To authorise the Divisional Director – Legal Services after consultation with the Corporate Director, Place to execute and enter into all necessary agreements (For the avoidance of doubt, functions delegated by reference to job titles or posts includes an officer appointed to a named post on an acting, interim or temporary basis and functions delegated by reference to job titles or posts which have changed will continue in force and shall be exercised by officers whose duties include or most closely correspond to the duties of the post originally referred to);
6. To agree that the contract be entered onto the contract forward plan;

In relation to the Victoria Park Commercial Events Concession Contract (contract reference CLC5194):

7. To note the improved contract management and Cabinet oversight arrangements put in place for the current Victoria Park Commercial Events Concession Contract in advance of the 2016 event season;
8. To agree the procurement and subsequent awarding of a new Victoria Park Commercial Events Concession Contract (to take effect on 1<sup>st</sup> January 2018 for a period of four (4) years with an option to extend by one year) based on the parameters set out in paragraphs 3.43 to 3.47 of this report;
9. To agree that robust continuous improvement requirements are built into the new contract in order to provide continued focus on minimising the impact of events on local residents;
10. To authorise the Service Head – Legal Services after consultation with the Corporate Director, Place to execute and enter into all necessary agreements (For the avoidance of doubt, functions delegated by reference to job titles or posts includes an officer appointed to a named post on an acting, interim or temporary basis and functions delegated by reference to job titles or posts which have changed will continue in force and shall be exercised by officers whose duties include or most closely correspond to the duties of the post originally referred to);
11. To agree that the contract be entered onto the contract forward plan;

In relation to the Tower Hamlets parks and open spaces estate:

12. To agree that officers continue to develop opportunities for commercial events activity outside the concession at all sites capable of accommodating the required infrastructure;
13. To agree that officers continue to develop opportunities for smaller scale income generating activity across the wider Tower Hamlets parks and open space portfolio.

**Action by:**  
**CORPORATE DIRECTOR, PLACE (A. DALVI)**

#### **5.10 1 to 1 Right to Buy Receipts Usage - Purchase of additional homes out of borough**

A report was received and noted that sought approval in principle for a number of proposals to provide temporary accommodation by the Council to meet the needs of homeless households. This included the:

1. Accelerated acquisition of new housing stock in the East London corridor and beyond to provide greater choice for people willing to move beyond Tower Hamlets borough boundaries;
2. Utilisation of the Council surplus properties as appropriate for temporary accommodation use for up to ten years; and
3. Investigation of the use of off-site manufactured units for temporary accommodation.

It was noted that internal modelling had been undertaken assessing the implications of purchasing two bedroom flats out of borough. The capital acquisition costs it was noted are estimated at approximately £300,000 per unit, equating to £30 million for the proposed 100 units. Financing the maximum 30% of these costs from retained Right to Buy capital receipts (£9 million) will mean that capital resources of £21 million will be required. The modelling it was noted assumes that the Council will borrow these resources within the General Fund, although alternative capital resources could be used if available.

It was also noted that there are proposals that 100 properties are purchased and that a target of total revenue savings of £500,000 had been included at this stage. External valuers, Roughton International Limited (RIL), were commissioned to investigate this proposal, including study of an exemplar borough. Allowing for the time that will be required to acquire suitable properties, it is proposed that the saving is profiled as £200,000 in 2017-18 and £300,000 in 2018-19. Whilst an additional capital estimate of £2.25m is proposed to deliver a further programme of 50 units that utilise surplus council properties for temporary accommodation for up to ten years. These properties will be funded from both the Housing Revenue Account and the General Fund as appropriate.

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

**RESOLVED**

1. To note the current position with regard to the Council's housing provision and anticipated housing demand as set out in paragraph 3 and Appendix A to the report;
2. To authorise the Corporate Director, Place, to purchase housing stock either within or outside the borough as outlined below, including properties with a purchase value exceeding £250k and to procure services and works to bring the properties up to the required standards for letting where necessary;
3. To authorised the Corporate Director, Place, to procure services and works and to let contracts in the delivery of the new homes in as far as required to fulfil the recommendations detailed below;
4. To agree to adopt a capital estimate of £30million for the purchase of up to a maximum of 100 properties out of borough, subject to these satisfying conditions of affordability, suitability, and good quality management;
5. To agree to allocate £9m retained Right to Buy Receipts to fund 30% of the capital costs and £21m to finance the residual 70% of the capital costs from Council capital resources, including undertaking prudential borrowing within the General Fund as necessary;
6. To authorise the Corporate Director, Place, to utilise surplus Council properties for temporary housing, and to procure services and works for conversion of those units as appropriate;
7. To agree to adopt a capital estimate of £2.25million to create up to 50 units of temporary accommodation from surplus council properties;
8. To authorise the Corporate Director, Place, to investigate the use of Off-Site Manufacturing for temporary accommodation supply.
9. To require the Corporate Director, Place, to consult the Mayor regarding any purchase beyond a 60 minute journey time from the Borough or within any District outside London, other than those immediately bordering another London Borough.
10. To agree to require the Corporate Director, Place to consult the Corporate Director, Resources regarding any purchase that would result in the portfolio average breakeven period exceeding 10 years or the net yield achieving less than 10%.

**Action by:****CORPORATE DIRECTOR, PLACE (A. DALVI)**

(Interim Divisional Director, Housing and Regeneration (M. Baigent)

(Acting Divisional Manager (J. Coker)

### 5.11 Late Night Levy (Post Consultation)

A report was received and noted regarding whether to consider a Late Night Levy (LNL) should be applied to those premises in the Borough that sell alcohol between a nominated period between midnight and 6.00am.

It was noted that Members had previously requested that the Environmental Health and Trading Standards Service should consult on the adoption of the LNL.

The consultation had sought views on the following matters:

- If a levy should be introduced;
- The commencement time that the levy shall be applied between midnight and 6.00am;
- The views of the Mayor's Office for Policing and Crime (MOPAC) for the introduction of a levy and seek agreement that the levy will be allocated within the Community Safety Partnership; and
- To consult on any exemptions or reductions that may be applied to businesses.

Consultation had been carried out by engaging with the public and businesses and variety of other groups, this report considers the consultation responses. In addition, it was noted it was proposed that it be recommended to Full Council In January, 2017 that the levy the commencement period should now be the 1st June 2017 and **not** 1<sup>st</sup> October, 2017 as original proposed.

According the **Mayor agreed** the recommendations as amended.

#### **RESOLVED** to:

1. Recommend to Full Council the adoption of the Late Night Levy
2. Recommend to Full Council that if the decision is to adopt the levy the commencement period should be the 1<sup>st</sup> June 2017.
3. Recommend to Full Council that the commencement time should be from midnight
4. Recommend to Full Council that the income from the levy, less collection costs, should be allocated through the Community Safety Partnership.
5. Recommend to Full Council that Members of the Best Bar None Scheme receive a 30% reduction from the levy.
6. Recommend to Full Council that the following premises would be exempt from the levy:
  - Premises with overnight accommodation
  - Theatres and Cinemas

- Bingo Halls
- Community Amateur Sports Clubs
- Community premises
- Premises opening past midnight for New Years Eve only

7. Recommend to Full Council that the following licenced premises would not be exempt from the levy, as:

- Country Village Pubs
- Premises in Business Improvement Districts
- Premises that receive a small business rate relief

**Action by:**

**CORPORATE DIRECTOR, PLACE (A. DALVI)**

(Head of Environmental Health and Trading Standards (D. Tolley)

## **5.12 List of Individual Executive Mayoral Decisions**

The Mayor introduced the report and agreed the recommendation as set out.

### **RESOLVED**

To note the list of Individual Executive Mayoral Decisions.

**Action by:**

**ACTING CORPORATE DIRECTOR, GOVERNANCE (G. WHITE)**

Committee Services Manager (M. Mannion)

## **6. ANY OTHER UNRESTRICTED BUSINESS CONSIDERED TO BE URGENT**

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

The Mayor **Moved** and it was:

### **Resolved:**

That in accordance with 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 contained information defined as exempt or confidential in Part 1 of Schedule 12A to the Local Government, Act 1972.

## **7.1 Contractual arrangements for commercial and community events – Appendix 1**

This appendices was considered and resolved in private session.

## **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 7.30 p.m.**

**MAYOR JOHN BIGGS**



<p><b>CABINET</b></p> <p><b>7 February 2017</b></p>	
<p><b>Report of:</b> Zena Cooke, Corporate Director Resources</p>	<p><b>Classification:</b> Unrestricted</p>
<p><b>Treasury Management Strategy Statement For 2017-18</b></p>	

<b>Originating Officer(s)</b>	Bola Tobun - Investment & Treasury Manager
<b>Wards affected</b>	All wards

**Summary**

- 1) The Council is required by legislation and guidance to produce three strategy statements in relation to its treasury management arrangements. The three statements are:
  - a) a policy statement on the basis of which provision is to be made in the revenue accounts for the repayment of borrowing – Minimum Revenue Provision (MRP) Policy Statement;
  - b) a Treasury Management Strategy Statement which sets out the Council’s proposed borrowing for the financial year and establishes the parameters (prudential and treasury indicators) within which officers under delegated authority may undertake such activities; and
  - c) an annual Investment Strategy which sets out the Council’s policies for managing its investments and for giving priority to the security and liquidity of those investments.
  
- 2) This report also deals with the setting of Prudential Indicators for 2017-18, which ensure that the Council’s capital investment decisions remain affordable, sustainable and prudent; the proposed indicators are detailed in Appendix 1. Under of the government’s self-financing arrangements for the Housing Revenue Account (HRA) there are specific indicators relating to HRA capital investment.
  
- 3) The Council is required to have regard to the Chartered Institute of Public Finance and Accountancy’s (CIPFA) Code of Practice on Treasury Management (revised November 2011) which requires the following:
  - a) Treasury Management Policy Statement which sets out the policies and objectives of the Council’s treasury management activities (Appendix 4);
  - b) Treasury Management Practices which set out the manner in which the Council will seek to achieve those policies and objectives;
  - c) Approval by Full Council of Minimum Revenue Provision Policy, an annual Treasury Management Strategy Statement - including the Annual Investment Strategy and prudential indicators for the year ahead together with arrangements

for a Mid-year Review Report and an Annual Report covering activities during the previous year;

- d) Clear delegated responsibility for overseeing and monitoring treasury management policies and practices and for the execution and administration of treasury management decisions. For this Council the delegated body is the Audit Committee. The scheme of delegation for treasury management is shown in Appendix 5.
- 4) Officers will report details of the Council's treasury management activity to the Audit Committee at each of its meetings during the year. Additionally, a mid-year and full-year report will be presented to Full Council. More detailed reporting arrangements are shown in Appendix 6.
- 5) The CIPFA Code requires the responsible officer to ensure that members with responsibility for treasury management receive adequate training in treasury management. This especially applies to members responsible for scrutiny. Training will be arranged as required for members of the Audit Committee who are charged with reviewing and monitoring the Council's treasury management policies. The training of treasury management officers is also periodically reviewed and enhanced as appropriate.

### **Recommendations**

It is recommended that Cabinet to note the report and approve for submission to Full Council to:

- i) Adopt the following policy and strategies:
  - a) The Minimum Revenue Provision Policy Statement set out in section 2 at annex A attached to this report;
  - b) The Treasury Management Strategy Statement set out in sections 5 & 6 at annex A attached to this report;
  - c) The Annual Investment Strategy set out in section 7 at annex A attached to this report, which officers involved in treasury management, must then follow;
- ii) Approve the prudential and treasury management indicators as set out in appendix 1 of annex A attached to this report.
- iii) Delegate authority to Corporate Director Resources to use alternative forms of investment, should the appropriate opportunity arise to use them, and should it be prudent and of advantage to the Council to do so. This delegated authority is subject to prior consultation with the Lead Member for Corporate Finance on any possible use of these instruments.

## 1 **REASONS FOR DECISIONS**

- 1.1 It is consistent with the requirements of treasury management specified by CIPFA, to which the Council is required to have regard under the Local Government Act 2003 and regulations made under that Act, for the Council to produce three strategy statements to support the Prudential Indicators which ensure that the Council's capital investment plans are affordable, sustainable and prudent. The three documents that the Council should produce are:
- Minimum Revenue Provision Policy Statement
  - Treasury Management Strategy, including prudential indicators
  - Investment Strategy

## 2 **ALTERNATIVE OPTIONS**

- 2.1 The Council is bound by legislation to have regard to the CIPFA requirements for treasury management. If the Council were to deviate from those requirements, there would need to be some good reason for doing so. It is not considered that there is any such reason, having regard to the need to ensure that the Council's capital investment plans are affordable, sustainable and prudent.
- 2.2 The strategies and policy statement put forward in the report are considered the best methods of achieving the CIPFA requirements. Whilst it may be possible to adopt variations of the strategies and policy statement, this would risk failing to achieve the goals of affordability, sustainability and prudence.

## 3. **BACKGROUND**

- 3.1 The Council is required to operate a balanced budget, which broadly means that cash raised during the year will meet cash expenditure. Part of the treasury management operation is to ensure that this cash flow is adequately planned, with cash being available when it is needed. Surplus monies are invested in low risk counterparties or instruments commensurate with the Council's low risk appetite, providing adequate liquidity primarily before considering investment return.
- 3.2 The second main function of the treasury management service is the funding of the Council's capital plans. These capital plans provide a guide to the borrowing need of the Council, essentially the longer term cash flow planning to ensure that the Council can meet its capital spending obligations. This management of longer term cash may involve arranging long or short term loans, or using longer term cash flow surpluses.
- 3.3 CIPFA defines treasury management as:
- "The management of the local authority's investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks."*
- 3.4 **REPORTING REQUIREMENTS** -The Council is required to receive and approve, as a minimum, three main reports each year, which incorporate a variety of policies, estimates and actuals.
- I. **A treasury management strategy statement** (this report) – it covers:
- a minimum revenue provision (MRP) policy (how residual capital expenditure is charged to revenue over time);

- the capital plans (including prudential indicators);
  - the treasury management strategy (how the investments and borrowings are to be organised) including treasury indicators; and
  - an investment strategy (the parameters on how investments are to be managed).
- II. **A mid year treasury management report** – This will update members with the progress of the capital position, amending prudential indicators as necessary, and whether any policies require revision.
- III. **A treasury outturn report** – This provides details of annual actual prudential and treasury indicators and annual actual treasury operations compared to the annual estimates within the strategy.
- 3.5 The Council uses Capita Asset Services, Treasury solutions as its external treasury management advisors. The Council recognises that responsibility for treasury management decisions remains with the organisation at all times and officers will ensure that undue reliance is not placed upon the external service providers.
- 3.6 The CIPFA Code requires the responsible officer to ensure that members with responsibility for treasury management receive adequate training in treasury management. This especially applies to members' responsible for scrutiny. Training will be arranged as required. The training needs of treasury management officers are periodically reviewed.

#### **The 2016/17 Strategy**

- 3.7 The Strategy for 2016/17 was approved by Full Council in February 2016 and set the following objectives:-
- a) Given the large cash balances and the strain in identifying opportunities to lend at suitable rates within the counterparty list, the term/duration of investments was extended from 3 years to 5 years for RBS.
  - b) Investing up to £50m of core cash for over 1 year if rates were to improve.
  - c) The use of core cash for internal borrowing if not used for longer term investments.

#### **Current Investment Position and Performance**

- 3.8 Investments over 1 year is standing at £20m and were all invested with Royal Bank of Scotland all maturing by September 2018.
- 3.9 The Council has not borrowed short or long term to date.
- 3.10 The Council's budgeted investment return of £2.7m for 2016/17, with average rate of return 0.9% for average portfolio balances of £300m. Due to the outcome of BREXIT vote, at the MPC meeting of August 2016, the base rate was cut from 0.50% to 0.25% to stimulate the economy. For this reason it has been impossible to earn budgeted investment interest rate for this financial year. Below table show the position of the investment income earned for this financial year to 31 December 2016.

Benchmark (Average 7 day LIBID)	Investment interest Earned	Average Cash Balance	Investment Interest Earned
0.23%	0.625%	£400m	£2.5m

- 3.11 The Council has investment deposit of £30m outstanding with a part nationalised banking group, Royal Bank of Scotland. Unfortunately RBS failed Bank of England (BoE) stress tests and was found as the worst prepared out of all the UK's biggest lenders to cope with another financial crisis. However the results forced RBS to devise plans to bolster its balance sheet by £2bn through cost cuts and shedding assets. Under the "very severe" tests, banks had to be able to handle a house price crash in the UK and a global recession. The BoE found Barclays and Standard Chartered also missed key hurdles but had already taken steps to cope. RBS, which is still 73% owned by the government after its bailout during the 2008 financial crisis, said it had "agreed a revised capital plan to improve its stress resilience". Members will be updated about the position as deemed necessary.

### **TREASURY MANAGEMENT STRATEGY FOR 2017/18**

- 3.12 The strategy for 2017/18 covers two main areas:

#### **Capital issues**

- the minimum revenue provision (MRP) policy;
- the capital plans and the prudential indicators.

#### **Treasury management issues**

- prospects for interest rates;
- the current treasury position;
- treasury indicators which limit the treasury risk and activities of the Council;
- the borrowing strategy;
- policy on borrowing in advance of need;
- debt rescheduling;
- the investment strategy;
- creditworthiness policy;
- service/policy investments.

- 3.13 The above elements cover the requirements of the Local Government Act 2003, the CIPFA Prudential Code, CLG MRP Guidance, the CIPFA Treasury Management Code and CLG Investment Guidance.

### **Developing the Strategy for 2017/18**

- 3.14 In formulating and executing the strategy for 2017/18, the Council will continue to have regard for the DCLG's guidance on Local Government Investments and the 2011 revised CIPFA Treasury Management in Public Services Code of Practice and Cross Sectional Guidance Notes.
- 3.15 The Council is required to operate a balanced budget, which broadly means that cash raised during the year will meet cash expenditure. Part of the treasury management operation is to ensure that this cash flow is adequately planned, with cash being available when it is needed. Surplus monies are

invested in low risk counterparties or instruments commensurate with the Council's low risk appetite, providing adequate liquidity initially before considering investment return.

- 3.16 The Council will also achieve optimum return on its investments commensurate with proper levels of security and liquidity. The borrowing of monies purely to on lend and make a return is unlawful and the Council will not engage in such activity.
- 3.17 The Council, in conjunction with its treasury management advisor, Capita Asset Services, will use Fitch, Moodys and Standard and Poor's ratings to derive its credit criteria. All credit ratings will be monitored daily. The Council is alerted to changes in ratings of all agencies through its use of Capita's creditworthiness service.
- 3.18 If a downgrade means the counterparty or investment fund no longer meets the Council's minimum criteria, its use for further investment will be withdrawn immediately. If funds are already invested with the downgraded institution, a decision will be made by the Corporate Director Resources whether to withdraw the funds and potentially incur a penalty.
- 3.19 If an institution or fund is placed under negative rating watch (i.e. there is a probability of a rating change in the short term and the likelihood of that change being negative) and it is currently at the minimum acceptable rating for placing investments, no further investments will be made with that institution.
- 3.20 The Corporate Director Resources will have delegated responsibility to add or withdraw institutions from the counterparty list when ratings change, either as advised by Capita Assets Services (the Council's advisors) or from another reliable market source.
- 3.21 The minimum Fitch credit ratings for the Council's investment policy:  
Short Term: 'F1' the same criteria as last year  
Long Term: 'A-' a notch down from last year criteria 'A'
- 3.22 Other market intelligence will also be used to determine institutions' credit worthiness, such as financial press, financial broker advice and treasury management meetings with other authorities, e.g. London Treasury Officers Forum. If this information shows a negative outcome, no further investments will be made with that body.
- 3.23 The strategy will permit the use of unrated building societies or challenger banks with assets in excess of £1.5bn for investment purposes.
- 3.24 The strategy proposes the continued use of core cash from £50m up to £100m to be held for longer term investment of over one year, if the rates are appealing.
- 3.25 The cash balances, not immediately required to finance expenditure, are lent to the money market for the most appropriate periods as indicated by the cash flow model and current market and economic conditions;
  - a) Liquidity is maintained by the use of overnight deposits, MMF and call accounts;

- b) The minimum amount of short-term cash balances required to support monthly cash flow management is £75 million;
- c) The upper limit for investments longer than one year is £100 million;
- d) The maximum period for longer term lending is 5 years;
- e) All investment with institutions and investment schemes is undertaken in accordance with the Council's creditworthiness criteria as set out at section 7 of annex A attached to this report;
- f) More cautious investment criteria are maintained during times of market uncertainty;
- g) All investment with institutions and investment schemes is limited to the types of investment set out under the Council's approved "Specified" and "Non-Specified" Investments detailed at section 7 of annex A, and that professional advice continues to be sought where appropriate;
- h) All investment is managed within the Council's approved investment/asset class limits.

3.26 To delegate authority to Corporate Director Resources to use alternative forms of investment, should the appropriate opportunity arise to use them, and should it be prudent and of advantage to the Council to do so. This delegated authority is subject to prior consultation with the Lead Member for Corporate Finance on any possible use of these instruments.

#### **Capital Programme and Prudential Borrowing**

3.27 The table below summarises the capital expenditure plans and how these plans are being financed by capital or revenue resources. Any shortfall of resources results in a funding borrowing need.

<b>Capital expenditure £m</b>	<b>2015/16A ctual</b>	<b>2016/17 Revised Estimate</b>	<b>2017/18 Estimate</b>	<b>2018/19 Estimate</b>	<b>2019/20 Estimate</b>
Non-HRA	26.620	46.572	74.178	56.997	34.900
HRA	66.359	89.345	77.720	83.444	0.000
<b>Total</b>	<b>92.979</b>	<b>135.917</b>	<b>151.898</b>	<b>140.441</b>	<b>34.900</b>
<b>Capital expenditure £m</b>	<b>2015/16 Actual</b>	<b>2016/17 Revised Estimate</b>	<b>2017/18 Estimate</b>	<b>2018/19 Estimate</b>	<b>2019/20 Estimate</b>
<b>Financed by:</b>					
<i>Grant</i>	(50.986)	(23.619)	(32.480)	(22.680)	(28.150)
<i>Major Repairs Allowance</i>	(28.319)	(40.161)	0.000	0.000	0.000
<i>Schools Contribution</i>	0.000	(0.969)	(1.192)	0.000	0.000
<i>Capital Receipts</i>	(0.841)	(23.321)	(21.150)	(15.568)	0.000
<i>S106 (Developers Contributions)</i>	(6.087)	(16.943)	(35.812)	(26.817)	0.000
<i>Direct Revenue Financing</i>	(6.600)	(20.312)	(56.943)	(0.750)	0.000
<b>Total Financed</b>	<b>(92.833)</b>	<b>(125.325)</b>	<b>(147.577)</b>	<b>(65.815)</b>	<b>(28.150)</b>
<b>Prudential Borrowing</b>	<b>0.145</b>	<b>10.592</b>	<b>4.321</b>	<b>74.626</b>	<b>6.750</b>

- 3.28 As part of the development of the prudential indicators attached as Appendix 1, which form part of the treasury management strategy, the Council must consider the affordability of its capital programme. In the past the programme has been financed by the use of capital resources such as receipts from asset sales and grants. The affordability of the programme is therefore calculated by the lost revenue income from the possible investment of the resources.
- 3.29 As shown in table above, there is a need to borrow up to £4m for 2017/18, £75m for 2018/19 and £7m for 2019/20 for the financing of capital expenditure as included in the current capital programme and the current prudential indicators. If the Council is to borrow, the affordability of the capital programme has been included in assessing the cost of borrowing along with the loss of investment income from the use of capital resources held in cash.
- 3.30 The current long term borrowing rate from the Public Works Loan Board is 2.90% for 25 years. Were the Council to temporarily borrow the necessary resources from its own cash balances rather than complete a further one year investment it would save the equivalent of 2.3% of the amount borrowed. The affordability of the capital programme has been calculated based upon the assumption that internal borrowing would occur initially.
- 3.31 The Council is currently maintaining an under-borrowed position. This means that the capital borrowing need (the Capital Financing Requirement), has not been fully funded with loan debt as cash from the Council's reserves, balances and cash flow has been used as a temporary measure. This strategy is prudent as investment returns are low and counterparty risk is still an issue that needs to be considered.
- 3.32 Against this circumstantial and the risks within the economic forecast, caution will be adopted with the 2017/18 treasury operations. The Corporate Director Resources and her officers will monitor interest rates in financial markets and adopt a pragmatic approach to changing circumstances.
- 3.33 Should rates move quicker than the forecast predicts, the current and proposed strategies do allow the Corporate Director Resources to take advantage of external borrowing. Any decisions will be reported to the appropriate decision making body at the next available opportunity.
- 3.34 The assumption is to borrow up to a maximum of £4m for 2017/18 and £75m for 2018/19, through the most economically advantageous method, as decided by the Corporate Director Resources, from: internal borrowing of core cash balances; PWLB loans; or other reputable sources of lending.
- 3.35 In summary the Council's borrowing strategy will give consideration to new borrowing in the following order of priority: -
- a) The cheapest borrowing will be internal borrowing by running down cash balances and foregoing interest earned at historically low rates. However, in view of the overall forecast for long term borrowing rates to increase over the next few years, consideration will also be given to weighing the short term advantage of internal borrowing against potential long term costs if the opportunity is missed for taking loans at long term rates which will be higher in future years.
  - b) Temporary borrowing from the money markets or other local authorities



- c) PWLB variable rate loans for up to 10 years
  - d) Short dated borrowing from non PWLB below sources
  - e) Long term fixed rate market loans at rates significantly below PWLB rates for the equivalent maturity period (where available) and to maintaining an appropriate balance between PWLB and market debt in the debt portfolio.
  - f) PWLB borrowing for periods under 10 years where rates are expected to be significantly lower than rates for longer periods. This offers a range of options for new borrowing which will spread debt maturities away from a concentration in longer dated debt
- 3.36 The Council will continue to borrow in respect of the following:
- a) Maturing debt (net of minimum revenue provision).
  - b) Approved unsupported (prudential) capital expenditure.
  - c) To finance cash flow in the short term.

#### **Investment Return Budget to 2019/20**

- 3.37 A cash flow projection up to March 2020 has been created reflecting the spending proposals in the Budget Strategy 2017/18 onwards. The cash flow projection and the interest rates forecast shows that anticipated investment income of £2.6m for 2016/17, based on average cash balance of £400m and average investment return of 0.65%. The anticipated investment income of £1.6m with average cash balance of £350m is budgeted for 2018/19 and £1.2m with average cash balance of £300m for 2019/20. The Council may need to accept a higher level of risk in order to achieve these targets, whilst maintaining due regard for security of capital and liquidity.
- 3.38 With reference to the proposal to use internal borrowing to finance the capital programme, as set out in the Capital Programme and Prudential Borrowing in annex A, the investment income suggested by the cash flow projection may be provided in part from internal charges or through the surplus generated by commercialisation projects.

#### **Minimum Revenue Provision 2017/18**

- 3.39 Where spend is financed through the creation of debt, the Council is required to pay off an element of the accumulated capital spend each year. The total debt is identified as the capital financing reserve and ensures that the Council includes external and internal borrowing along with other forms of financing considered to be equivalent to borrowing.
- 3.40 The payment is made through a revenue charge (the minimum revenue provision - MRP) made against the Council's expenditure, although it is also allowed to undertake additional voluntary payments if required (voluntary revenue provision - VRP).
- 3.41 It is recommended that because of budget constraints in the medium term the adoption of the existing statutory calculation which is based on 4% of the aggregate assumed borrowing for general fund capital investment - termed the Capital Financing requirement (CFR) as the basis of the Councils MRP relating to supported borrowing

- 3.42 The Council will use the asset life method for the calculation of the Minimum Revenue Provision on all future unsupported borrowing.
- 3.43 Council could utilise the resources invested in expenditure on key priority outcomes. However the core cash held by the Council is either set aside for future expenditure, such as the capital programme, or held as a form of risk mitigation, such as the minimum level of revenue balances. To utilise these resources for alternative projects would put the Council at future risk should an unforeseen event occur.

#### **Other Treasury Management Issue**

- 3.45 We recently responded to the Financial Conduct Authority (FCA) consultation on implementation of MARKETS IN FINANCIAL INSTRUMENTS DIRECTIVE II (MiFID II), as the FCA is pursuing to reclassify Local Authorities (LAs) as retail investors rather than the current acquired professional status; this directive will be effective from 3 January 2018. We therefore have responded to this consultation to highlight Tower Hamlets concerns as the imposition of automatic retail status on local authorities (LAs) will have serious consequences for the effective implementation of pension fund investment strategies and the general treasury management function.
- 3.46 For example we currently use money market funds and other instruments through brokers such as gilts and corporate bonds. If the FCA classified LAs as retail investors, the process to “opt up” to professional status in order to use these instruments will be administratively burdensome for us. It will result in authorities having to go through a time consuming process with each lending or borrowing counterparty.
- 3.47 And also the directive could affect activity such as short term borrowing between local authorities. This is particularly important to LAs who have adopted an internal borrowing strategy and who are using short term borrowing from other local authorities as a means of supplementing the internal borrowing strategy.

- 4.1 4 **COMMENTS OF THE CHIEF FINANCIAL OFFICE**The comments of the Corporate Director Resources are incorporated in the report

#### **LEGAL COMMENTS**

- 5.1 The Local Government Act 2003 provides a framework for the capital finance of local authorities. It provides a power to borrow and imposes a duty on local authorities to determine an affordable borrowing limit. It provides a power to invest. Fundamental to the operation of the scheme is an understanding that authorities will have regard to proper accounting practices recommended by the Chartered Institute of Public Finance and Accountancy (CIPFA) in carrying out capital finance functions.
- 5.2 The Local Authorities (Capital Finance and Accounting) (England) Regulations 2003 require the Council to have regard to the CIPFA publication “Treasury Management in the Public Services: Code of Practice and Cross-Sectoral Guidance Notes” (“the Treasury Management Code”) in carrying out capital finance functions under the Local Government Act 2003. If after having regard to the Treasury Management Code the Council wished not to follow it, there would need to be some good reason for such deviation.

- 5.3 It is a key principle of the Treasury Management Code that an authority should put in place “comprehensive objectives, policies and practices, strategies and reporting arrangements for the effective management and control of their treasury management activities”. Treasury management activities cover the management of the Council’s investments and cash flows, its banking, money market and capital market transactions, the effective control of risks associated with those activities and the pursuit of optimum performance consistent with those risks. It is consistent with the key principles expressed in the Treasury Management Code for the Council to adopt the strategies and policies proposed in the report.
- 5.4 The report proposes that the treasury management strategy will incorporate prudential indicators. The Local Authorities (Capital Finance and Accounting) (England) Regulations 2003 also requires the Council to have regard to the CIPFA publication “Prudential Code for Capital Finance in Local Authorities” (“the Prudential Code”) when carrying out its duty under the Act to determine an affordable borrowing limit. The Prudential Code specifies a minimum level of prudential indicators required to ensure affordability, sustainability and prudence. The report properly brings forward these matters for determination by the Council. If after having regard to the Prudential Code the Council wished not to follow it, there would need to be some good reason for such deviation.
- 5.5 The Local Government Act 2000 and regulations made under the Act provide that adoption of a plan or strategy for control of a local authority’s borrowing, investments or capital expenditure, or for determining the authority’s minimum revenue provision, is a matter that should not be the sole responsibility of the authority’s executive and, accordingly, it is appropriate for the Cabinet to agree these matters and for them to then be considered by Full Council.
- 5.6 The report sets out the recommendations of the Corporate Director Resources in relation to the Council’s minimum revenue provision, treasury management strategy and its annual investment strategy. The Corporate Director Resources has responsibility for overseeing the proper administration of the Council’s financial affairs, as required by section 151 of the Local Government Act 1972 and is the appropriate officer to advise in relation to these matters.
- 5.7 When considering its approach to the treasury management matters set out in the 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 don’t (the public sector equality duty).

## **6 ONE TOWER HAMLETS CONSIDERATIONS**

- 6.1 Capital investment will contribute to achievement of the corporate objectives, including all those relating to equalities and achieving One Tower Hamlets. Establishing the statutory policy statements required facilitates the capital investments and ensures that it is prudent.

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

- 7.1 The Treasury Management Strategy and Investment Strategy and the arrangements put in place to monitor them should ensure that the Council optimises the use of its monetary resources within the constraints placed on the Council by statute, appropriate management of risk and operational requirements.

7.2 Assessment of value for money is achieved through:

- Monitoring against benchmarks
- Operating within budget

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

8.1 There are no sustainable actions for a greener environment implication.

## **9 RISK MANAGEMENT IMPLICATIONS**

9.1 There is inevitably a degree of risk inherent in all treasury activity.

9.2 The Investment Strategy identifies the risk associated with different classes of investment instruments and sets the parameters within which treasury activities can be undertaken and controls and processes appropriate for that risk.

9.3 Treasury operations are undertaken by nominated officers within the parameters prescribed by the Treasury Management Policy Statement as approved by the Council.

9.4 The Council is ultimately responsible for risk management in relation to its treasury activities. However, in determining the risk and appropriate controls to put in place the Council has obtained independent advice from Capita Treasury Services who specialise in Council treasury issues.

## **10 CRIME AND DISORDER REDUCTION IMPLICATIONS**

10.1 There are no any crime and disorder reduction implications arising from this report.

### **ANNEX & APPENDICES**

#### **ANNEX**

Annex A – Treasury Management Strategy Statement (Working Document) for 2017-18

#### **APPENDICES**

Appendix 1 – Prudential and Treasury Indicators

Appendix 2 – Definition of Fitch Credit Ratings

Appendix 3 – Counter Party Credit Rating List

Appendix 4 – Treasury Management Policy Statement

Appendix 5 – Treasury Management Scheme of Delegation

Appendix 6 – Treasury Management Reporting Arrangement

Appendix 7 – Glossary

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

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

<b>Brief description of “background papers”</b>	<b>Name and telephone number of holder and address where open to inspection</b>
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*Bola Tobun, x4733, Mulberry Place*

# Annex A

## **Working Document** **Treasury Management Strategy Statement** **Minimum Revenue Provision Policy Statement and** **Annual Investment Strategy**

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**London Borough of Tower Hamlets**  
**2017/18**

## 1. **BACKGROUND**

1.1 The Council is required to operate a balanced budget, which broadly means that cash raised during the year will meet cash expenditure. Part of the treasury management operation is to ensure that this cash flow is adequately planned, with cash being available when it is needed. Surplus monies are invested in low risk counterparties or instruments commensurate with the Council's low risk appetite, providing adequate liquidity primarily before considering investment return.

1.2 The second main function of the treasury management service is the funding of the Council's capital plans. These capital plans provide a guide to the borrowing need of the Council, essentially the longer term cash flow planning to ensure that the Council can meet its capital spending obligations. This management of longer term cash may involve arranging long or short term loans, or using longer term cash flow surpluses.

1.3 CIPFA defines treasury management as:

*"The management of the local authority's investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks."*

1.4 **REPORTING REQUIREMENTS** -The Council is required to receive and approve, as a minimum, three main reports each year, which incorporate a variety of policies, estimates and actuals.

I. **An annual treasury management strategy statement** (this report) – it covers:

- a minimum revenue provision (MRP) policy (how residual capital expenditure is charged to revenue over time);
- the capital plans (including prudential indicators);
- the treasury management strategy (how the investments and borrowings are to be organised) including treasury indicators; and
- an investment strategy (the parameters on how investments are to be managed).

II. **A mid year treasury management report** – This will update members with the progress of the capital position, amending prudential indicators as necessary, and whether any policies require revision.

III. **A treasury outturn report** – This provides details of annual actual prudential and treasury indicators and annual actual treasury operations compared to the annual estimates within the strategy.

1.5 **SCRUTINY** - The above reports are required to be adequately scrutinised before being recommended to the Council. This role is being undertaken by the Auditee Committee and or Cabinet.

1.6 **Treasury management consultants** - The Council uses Capita Asset Services, Treasury solutions as its external treasury management advisors. The Council

recognises that responsibility for treasury management decisions remains with the organisation at all times and officers will ensure that undue reliance is not placed upon the external service providers.

- 1.7 **Training** - The CIPFA Code requires the responsible officer to ensure that members with responsibility for treasury management receive adequate training in treasury management. This especially applies to members responsible for scrutiny. Training will be arranged as required. The training needs of treasury management officers are periodically reviewed.

1.8 **TREASURY MANAGEMENT STRATEGY FOR 2017/18**

The strategy for 2017/18 covers two main areas:

**Capital issues**

- the minimum revenue provision (MRP) policy;
- the capital plans and the prudential indicators.

**Treasury management issues**

- prospects for interest rates;
- the current treasury position;
- treasury indicators which limit the treasury risk and activities of the Council;
- the borrowing strategy;
- policy on borrowing in advance of need;
- debt rescheduling;
- the investment strategy;
- creditworthiness policy;
- service/policy investments.

- 1.9 These elements cover the requirements of the Local Government Act 2003, the CIPFA Prudential Code, CLG MRP Guidance, the CIPFA Treasury Management Code and CLG Investment Guidance.

## 2. MINIMUM REVENUE PROVISION (MRP) POLICY STATEMENT

- 2.1 The Council is required to pay off an element of the accumulated General Fund capital spend each year (the CFR) through a revenue charge (the minimum revenue provision - MRP).
- 2.2 The Department of Communities and Local Government (DCLG) require Councils to establish a policy statement on the MRP and has published guidance on the four potential methodologies to be adopted.
- 2.3 The guidance distinguishes between supported borrowing which relates to assumed borrowing which is incorporated into the Government's Formula Grant calculation and consequently has an associated amount of government grant and unsupported borrowing. Unsupported borrowing is essentially prudential borrowing the financing costs of which have to be met by the Council locally.
- 2.4 There is no requirement on the HRA to make a minimum revenue provision but there is a requirement for a charge for depreciation to be made pending finalisation of transitional arrangements following introduction of Self-Financing.
- 2.5 The DCLG guidance provides two options for the calculation of the MRP associated with each classes of borrowing.
- 2.6 The two options for the supported borrowing are variants of the existing statutory calculation which is based on 4% of the aggregate assumed borrowing for general fund capital investment - termed the Capital Financing requirement (CFR). The two options are:
- **Option 1** (Regulatory Method): To continue the current statutory calculation based on the gross CFR less a dampening factor to mitigate the impact on revenue budgets of the transition from the previous system. This calculation is further adjusted to repay debt transferred to the Council when the Inner London Education Authority (ILEA) was abolished.
  - **Option 2** (Capital Financing Requirement Method): The statutory calculation without the dampener which will increase the annual charge to revenue budget.
- 2.7 The options purely relate to the timing of debt repayment rather than the gross amounts payable over the term of the loans. The higher MRP payable under option 2 will accelerate the repayment of debt.
- 2.8 It is recommended that because of budget constraints in the medium term the existing statutory calculation with the ILEA adjustment be adopted as the basis of the Councils MRP relating to supported borrowing.
- 2.9 The guidance provides two options for the MRP relating to unsupported borrowing. The options are:-
- **Option 3** (Asset Life Method): To repay the borrowing over the estimated life of the asset with the provision calculated on either an equal instalment or annuity basis. This method has the advantage of simplicity and relating repayments to the period over which the asset is providing benefit.



- **Option 4** (Depreciation Method): A calculation based on depreciation. This is extremely complex and there are potential difficulties in changing estimated life and residual values.

- 2.10 It is recommended that option 3 is adopted for unsupported borrowing.
- 2.11 The Council is required under regulation 28 of the Local Authorities (Capital Finance and Accounting) (England) Regulations 2003 to determine for each financial year an amount of minimum revenue provision which it considers to be prudent.
- 2.12 **It is proposed that the Council makes Minimum Revenue Provision using Option 1 (Regulatory Method) for supported borrowing and Option 3 (Asset Life Method) for unsupported borrowing.**

### **THE CAPITAL PRUDENTIAL INDICATORS 2017/18 – 2019/20**

- 3.1 Council's capital expenditure plans are the key driver of treasury management activity. The output of the capital expenditure plans is reflected in the prudential indicators, which are designed to assist members' overview and confirm capital expenditure plans.
- 3.2 **Capital expenditure** - This prudential indicator is a summary of the Council's capital expenditure plans, both those agreed previously, and those forming part of this budget cycle. Members are asked to approve the capital expenditure forecasts:

<b>Capital expenditure £m</b>	<b>2015/16 Actual</b>	<b>2016/17 Revised Estimate</b>	<b>2017/18 Estimate</b>	<b>2018/19 Estimate</b>	<b>2019/20 Estimate</b>
Adults' Services	0.202	7.442	7.018	1.591	0.000
Children's Services	13.893	17.749	28.259	25.445	17.250
Communities, Localities & Culture	6.673	8.691	20.054	12.883	16.393
Building Schools for the Future	(0.058)	0.290	0.977	0.000	0.000
Development & Renewal (Non Housing)	2.328	3.310	4.778	0.321	0.000
Corporate	2.393	7.783	11.335	15.000	0.000
Housing – Non HRA	1.189	1.307	1.757	1.757	1.257
<b>Total Non-HRA</b>	<b>26.620</b>	<b>46.572</b>	<b>74.178</b>	<b>56.997</b>	<b>34.900</b>
Housing - HRA	66.359	89.345	77.720	83.444	0.000
<b>Total HRA</b>	<b>66.359</b>	<b>89.345</b>	<b>77.720</b>	<b>83.444</b>	<b>0.000</b>
<b>Total</b>	<b>92.979</b>	<b>135.917</b>	<b>151.898</b>	<b>140.441</b>	<b>34.900</b>

- 3.3 **Other long term liabilities** - The above financing need excludes other long term liabilities, such as PFI and leasing arrangements which already include borrowing instruments.
- 3.4 The table below summarises the above capital expenditure plans and how these plans are being financed by capital or revenue resources. Any shortfall of resources results in a funding borrowing need.

Capital expenditure £m	2015/16A ctual	2016/17 Revised Estimate	2017/18 Estimate	2018/19 Estimate	2019/20 Estimate
Non-HRA	26.620	46.572	74.178	56.997	34.900
HRA	66.359	89.345	77.720	83.444	0.000
<b>Total</b>	<b>92.979</b>	<b>135.917</b>	<b>151.898</b>	<b>140.441</b>	<b>34.900</b>
Capital expenditure £m	2015/16 Actual	2016/17 Revised Estimate	2017/18 Estimate	2018/19 Estimate	2019/20 Estimate
<b>Financed by:</b>					
<i>Grant</i>	(50.986)	(23.619)	(32.480)	(22.680)	(28.150)
<i>Major Repairs Allowance</i>	(28.319)	(40.161)	0.000	0.000	0.000
<i>Schools Contribution</i>	0.000	(0.969)	(1.192)	0.000	0.000
<i>Capital Receipts</i>	(0.841)	(23.321)	(21.150)	(15.568)	0.000
<i>S106 (Developers Contributions)</i>	(6.087)	(16.943)	(35.812)	(26.817)	0.000
<i>Direct Revenue Financing</i>	(6.600)	(20.312)	(56.943)	(0.750)	0.000
<b>Total Financed</b>	<b>(92.833)</b>	<b>(125.325)</b>	<b>(147.577)</b>	<b>(65.815)</b>	<b>(28.150)</b>
<b>Prudential Borrowing</b>	<b>0.145</b>	<b>10.592</b>	<b>4.321</b>	<b>74.626</b>	<b>6.750</b>

- 3.5 **The Council's borrowing need (the Capital Financing Requirement)** - The second prudential indicator is the Council's Capital Financing Requirement (CFR). The CFR is simply the total historic outstanding capital expenditure which has not yet been paid for from either revenue or capital resources. It is essentially a measure of the Council's underlying borrowing need. Any capital expenditure above, which has not immediately been paid for, will increase the CFR. The CFR does not increase indefinitely, as the minimum revenue provision (MRP) is a statutory annual revenue charge which broadly reduces the borrowing need in line with each asset's life.

**The Council is asked to approve the CFR projections below:**

£m	2015/16 Actual	2016/17 Revised Estimate	2017/18 Estimate	2018/19 Estimate	2019/20 Estimate
<b>Capital Financing Requirement</b>					
CFR – housing	75.583	83.266	83.533	148.858	146.309
CFR – non housing	187.005	181.143	176.459	177.063	177.699
<b>Total CFR</b>	<b>262.588</b>	<b>264.408</b>	<b>259.993</b>	<b>325.921</b>	<b>324.008</b>
<b>Movement in CFR</b>		<b>1.820</b>	<b>(4.416)</b>	<b>65.929</b>	<b>(1.914)</b>

<b>Movement in CFR represented by</b>					
Net financing need for the year (above)	0.145	10.592	4.321	74.626	6.750
Less MRP/VRP and other financing movements	(0.145)	(8.772)	(8.737)	(8.697)	(8.664)
<b>Movement in CFR</b>	<b>0.000</b>	<b>1.820</b>	<b>(4.416)</b>	<b>65.929</b>	<b>(1.914)</b>

- 3.6 The previous sections cover the overall capital and control of borrowing prudential indicators, but within this framework prudential indicators are required to assess the affordability of the capital investment plans. These provide an indication of the impact of the capital investment plans on the Council's overall finances.
- 3.7 The Council has set the following **affordability prudential indicators** as prescribed by the code and these are set out below and detailed in Appendix 1.
- 3.8 **Ratio of financing costs to net revenue stream** - This indicator identifies the trend in the cost of capital (borrowing and other long term obligation costs net of investment income) against the net revenue stream. The estimates of financing costs include current commitments and the proposals in this budget report.

	2015/16 Actual	2016/17 Revised Estimate	2017/18 Estimate	2018/19 Estimate	2019/20 Estimate
Non-HRA	0.84%	0.82%	0.79%	0.92%	1.02%
HRA	4.02%	5.23%	6.12%	10.30%	10.77%

- 3.9 **Incremental impact of capital investment decisions on council tax** - This indicator identifies the revenue costs associated with proposed changes to the three year capital programme recommended in this budget report compared to the Council's existing approved commitments and current plans. The assumptions are based on the budget, but will invariably include some estimates, such as the level of Government support, which are not published over a three year period.

£	2015/16 Actual	2016/17 Revised Estimate	2017/18 Estimate	2018/19 Estimate	2019/20 Estimate
<b>Council Tax - Band D (per annum)</b>	24.055	29.224	32.537	31.224	30.074

- 3.10 **Estimates of the incremental impact of capital investment decisions on housing rent levels** - Similar to the Council tax calculation, this indicator identifies the trend in the cost of proposed changes in the housing capital programme recommended in this budget report compared to the Council's existing commitments and current plans, expressed as a discrete impact on weekly rent levels. This indicator shows the revenue impact on any newly proposed changes, although any discrete impact will be constrained by rent controls.

£	2015/16 Actual	2016/17 Revised Estimate	2017/18 Estimate	2018/19 Estimate	2019/20 Estimate
<b>Weekly housing rent levels</b>	0.00	2.123	1.458	6.397	0.923

#### 4. **PROSPECTS FOR INTEREST RATES**

4.1 The borrowing and investment strategy is in part determined by the economic environment within which it operates. The treasury advisor to the Council is Capita Asset Services and part of their service is to assist the Council to formulate a view on interest rates. The following table gives Capita's overall view on interest rates for the next three years.

Annual Average %	Bank Rate %	PWLB Borrowing Rates % (including certainty rate adjustment)			
		5 year	10 Year	25 year	50 year
Dec 2016	0.25	1.60	2.30	2.90	2.70
Mar 2017	0.25	1.60	2.30	2.90	2.70
Jun 2017	0.25	1.60	2.30	2.90	2.70
Sep 2017	0.25	1.60	2.30	2.90	2.70
Dec 2017	0.25	1.60	2.30	3.00	2.80
Mar 2018	0.25	1.70	2.30	3.00	2.80
Jun 2018	0.25	1.70	2.40	3.00	2.80
Sep 2018	0.25	1.70	2.40	3.10	2.90
Dec 2018	0.25	1.80	2.40	3.10	2.90
Mar 2019	0.25	1.80	2.50	3.20	3.00
Jun 2019	0.50	1.90	2.50	3.20	3.00
Sep 2019	0.50	1.90	2.60	3.30	3.10
Dec 2019	0.75	2.00	2.60	3.30	3.10
Mar 2020	0.75	2.00	2.70	3.40	3.20

4.2 The referendum vote for Brexit in June 2016 delivered an immediate shock fall in confidence indicators and business surveys at the beginning of August, which were interpreted by the Bank of England in its August Inflation Report as pointing to an impending sharp slowdown in the economy. However, the following monthly surveys in September showed an equally sharp recovery in confidence and business surveys so that it is generally expected that the economy will post reasonably strong growth numbers through the second half of 2016 and also in 2017, albeit at a slower pace than in the first half of 2016.

4.3 The Monetary Policy Committee, (MPC), meeting of 4th August was therefore dominated by countering this expected sharp slowdown and resulted in a package of measures that included a cut in Bank Rate from 0.50% to 0.25%, a renewal of quantitative easing, with £70bn made available for purchases of gilts and corporate bonds, and a £100bn tranche of cheap borrowing being made available for banks to use to lend to businesses and individuals.

4.4 The Governor of the Bank of England, Mark Carney, had warned that a vote for Brexit would be likely to cause a slowing in growth, particularly from a reduction in business investment, due to the uncertainty of whether the UK would have continuing full access, (i.e. without tariffs), to the EU single market. He also warned that the Bank could not do all the heavy lifting to boost economic growth and suggested that the Government would need to help growth e.g. by increasing investment expenditure and by using fiscal

policy tools. The newly appointed Chancellor, Phillip Hammond, announced, in the aftermath of the referendum result and the formation of a new Conservative cabinet, that the target of achieving a budget surplus in 2020 would be eased in the Autumn Statement on 23 November.

- 4.5 The Chancellor has said he will do 'whatever is needed' i.e. to promote growth; there are two main options he can follow – fiscal policy e.g. cut taxes, increase investment allowances for businesses, and/or increase government expenditure on infrastructure, housing etc. This will mean that the PSBR deficit elimination timetable will need to slip further into the future as promoting growth, (and ultimately boosting tax revenues in the longer term), will be a more urgent priority.
- 4.6 The MPC meeting of 3 November left Bank Rate unchanged at 0.25% and other monetary policy measures also remained unchanged. This was in line with market expectations, but a major change from the previous quarterly Inflation Report MPC meeting of 4 August, which had given a strong steer, in its forward guidance, that it was likely to cut Bank Rate again, probably by the end of the year if economic data turned out as forecast by the Bank.
- 4.7 The latest MPC decision included a forward view that Bank Rate could go either up or down depending on how economic data evolves in the coming months. The central view remains that Bank Rate will remain unchanged at 0.25% until the first increase to 0.50% in quarter 2 2019 (unchanged from our previous forecast). However, the Council's treasury adviser would not, as yet, discount the risk of a cut in Bank Rate if economic growth were to take a significant dip downwards, though they think this is unlikely. They also point out that forecasting as far ahead as mid 2019 is highly fraught as there are many potential economic headwinds which could blow the UK economy one way or the other as well as political developments in the UK, (especially over the terms of Brexit), EU, US and beyond, which could have a major impact on their forecasts.
- 4.8 Bank of England GDP forecasts in the November quarterly Inflation Report were as follows, (August forecasts in brackets) - 2016 +2.2%, (+2.0%); 2017 1.4%, (+0.8%); 2018 +1.5%, (+1.8%). There has, therefore, been a sharp increase in the forecast for 2017, a marginal increase in 2016 and a small decline in growth, now being delayed until 2018, as a result of the impact of Brexit.
- 4.9 The other key factor in forecasts for Bank Rate is inflation where the MPC aims for a target for CPI of 2.0%. The November Inflation Report included an increase in the peak forecast for inflation from 2.3% to 2.7% during 2017; (Capital Economics are forecasting a peak of 3.2% in 2018). This increase was largely due to the effect of the sharp fall in the value of sterling since the referendum, (16% down against the US dollar and 11% down against the Euro); this will feed through into a sharp increase in the cost of imports and materials used in production in the UK. However, the MPC is expected to look through the acceleration in inflation caused by external, (outside of the UK), influences, although it has given a clear warning that if wage inflation were to rise significantly as a result of these cost pressures on consumers, then they would take action to raise Bank Rate.
- 4.10 What is clear is that consumer disposable income will come under pressure, as the latest employers' survey is forecasting median pay rises for the year ahead of only 1.1% at a time when inflation will be rising significantly higher than this. The CPI figure for October surprised by under shooting forecasts at 0.9%. However, producer output

prices rose at 2.1% and core inflation was up at 1.4%, confirming the likely future upwards path.

- 4.11 Gilt yields, and consequently PWLB rates, have risen sharply since hitting a low point in mid-August. There has also been huge volatility during 2016 as a whole. The year started with 10 year gilt yields at 1.88%, fell to a low point of 0.53% on 12 August, and have hit a peak on the way up again of 1.46% on 14 November. The rebound since August reflects the initial combination of the yield-depressing effect of the MPC's new round of quantitative easing on 4 August, together with expectations of a sharp downturn in expectations for growth and inflation as per the pessimistic Bank of England Inflation Report forecast, followed by a sharp rise in growth expectations since August when subsequent business surveys, and GDP growth in quarter 3 at +0.5% q/q, confounded the pessimism. Inflation expectations also rose sharply as a result of the continuing fall in the value of sterling.
- 4.12 Employment has been growing steadily during 2016, despite initial expectations that the referendum would cause a fall in employment. However, the latest employment data in November, (for October), showed a distinct slowdown in the rate of employment growth and an increase in the rate of growth of the unemployment claimant count. House prices have been rising during 2016 at a modest pace but the pace of increase has been slowing since the referendum; a downturn in prices could dampen consumer confidence and expenditure.
- 4.13 The American economy had a patchy 2015 with sharp swings in the growth rate leaving the overall growth for the year at 2.4%. Quarter 1 of 2016 disappointed at +0.8% on an annualised basis while quarter 2 improved, but only to a lacklustre +1.4%. However, forward indicators are pointing towards a pickup in growth in the rest of 2016. The Fed embarked on its long anticipated first increase in rates at its December 2015 meeting. At that point, confidence was high that there would then be four more increases to come in 2016. Since then, more downbeat news on the international scene and then the Brexit vote, have caused a delay in the timing of the second increase which is now strongly expected in December 2016.
- 4.14 In the Eurozone, the ECB commenced in March 2015 its massive €1.1 trillion programme of quantitative easing to buy high credit quality government and other debt of selected EZ countries at a rate of €60bn per month; this was intended to run initially to September 2016 but was extended to March 2017 at its December 2015 meeting. At its December and March meetings it progressively cut its deposit facility rate to reach -0.4% and its main refinancing rate from 0.05% to zero. At its March meeting, it also increased its monthly asset purchases to €80bn. These measures have struggled to make a significant impact in boosting economic growth and in helping inflation to rise from around zero towards the target of 2%. GDP growth rose by 0.6% in quarter 1 2016 (1.7% y/y) but slowed to +0.3% (+1.6% y/y) in quarter 2. This has added to comments from many forecasters that central banks around the world are running out of ammunition to stimulate economic growth and to boost inflation. They stress that national governments will need to do more by way of structural reforms, fiscal measures and direct investment expenditure to support demand in the their economies and economic growth.
- 4.15 Japan is still bogged down in anaemic growth and making little progress on fundamental reform of the economy while Chinese economic growth has been weakening and medium term risks have been increasing.

- 4.16 In conclusion investment returns are likely to remain low during 2017/18 and beyond;
- a) Borrowing interest rates have been on a generally downward trend during most of 2016 up to mid-August; they fell sharply to historically phenomenally low levels after the referendum and then even further after the MPC meeting of 4th August when a new package of quantitative easing purchasing of gilts was announced.
  - b) Gilt yields have since risen sharply due to a rise in concerns around a 'hard Brexit', the fall in the value of sterling, and an increase in inflation expectations. The policy of avoiding new borrowing by running down spare cash balances, has served well over the last few years. However, we need to carefully review this to avoid incurring higher borrowing costs in later times when the Council will not be able to avoid new borrowing to finance capital expenditure and/or to refinance maturing debt;
  - c) There still remain a cost of carry to any new long-term borrowing that causes a temporary increase in cash balances as this position will, most likely, incur a revenue cost – the difference between borrowing costs and investment returns.

## 5. TREASURY MANAGEMENT CONSIDERATIONS AND DEVELOPMENT

- 5.1 The treasury management function ensures that the Council's cash is organised in accordance with the relevant professional codes, so that sufficient cash is available to meet this service activity. This will involve both the organisation of the cash flow and, where capital plans require, the organisation of appropriate borrowing facilities. The Council anticipates its fund balances in 2017/18 to average around £350m, if we persist with the policy of internal borrowing to fund the Council's underlying need to borrow.
- 5.2 The Pension Fund surplus cash will continue to be invested in accordance with the Council's Treasury Management Strategy agreed by Full Council, under the delegated authority of the Corporate Director Resources to manage within agreed parameters.
- 5.3 The strategy covers the relevant treasury / prudential indicators, the current and projected debt positions and the annual investment strategy.
- 5.4 **Core funds and expected investment balances** – The application of resources (capital receipts, reserves etc.) to either finance capital expenditure or other budget decisions to support the revenue budget will have an ongoing impact on investments unless resources are supplemented each year from new sources (asset sales, etc.).

Detailed below are estimates of the year end balances of investments.

Year End Resources	2015/16 Actual	2016/17 Projected Outturn	2017/18 Estimate	2018/19 Estimate	2019/20 Estimate
Expected Investments	£381.4m	£400m	£350m	£300m	£300m

- 5.5 **Current portfolio position** - The Council's treasury portfolio position at 31 March 2016, with forward projections are summarised below. The table shows the actual external debt (the treasury management operations), against the underlying capital borrowing

need (the Capital Financing Requirement - CFR), highlighting any over or under borrowing.

£m	2015/16 Actual	2016/17 Projected Outturn	2017/18 Estimate	2018/19 Estimate	2019/20 Estimate
<b>External Debt</b>					
Debt at 1 April	87.825	85.936	94.888	98.206	161.236
Expected change in Debt	(0.842)	(1.889)	(1.639)	(1.004)	(1.004)
New borrowing		10.592	4.321	74.626	6.750
Other long-term liabilities (OLTL)	38.472	37.509	36.304	34.957	33.415
Expected change in OLTL	(0.963)	(1.205)	(1.347)	(1.542)	(1.931)
<b>Actual gross debt (Inc. PFI) at 31 March</b>	<b>124.492</b>	<b>130.943</b>	<b>132.527</b>	<b>205.243</b>	<b>198.466</b>
<b>The Capital Financing Requirement (Inc. PFI)</b>	<b>262.588</b>	<b>264.408</b>	<b>259.993</b>	<b>325.921</b>	<b>324.008</b>
<b>Under / (over) borrowing</b>	<b>138.096</b>	<b>133.465</b>	<b>127.466</b>	<b>120.678</b>	<b>125.541</b>

- 5.6 Within the prudential indicators there are a number of key indicators to ensure that the Council operates its activities within well-defined limits. One of these is that the Council needs to ensure that its gross debt does not, except in the short term, exceed the total of the CFR in the preceding year plus the estimates of any additional CFR for 2016/17 and the following two financial years. This allows some flexibility for limited early borrowing for future years, but ensures that borrowing is not undertaken for revenue purposes.
- 5.7 The Corporate Director of Resources reports that the Council complied with this prudential indicator in the current year and does not envisage difficulties for the future. This view takes into account current commitments, existing plans, and the proposals in this budget report.
- 5.8 **Treasury Indicators: limits to borrowing activity for 2016-17 to 2019-20** Treasury indicators are about setting parameters within which within which officers can take treasury management decisions. The Council has set the following treasury indicators as prescribed by the Code and these are set out below and also detailed in Appendix 1:

- **Authorised Limit for External Debt** – The upper limit on the level of gross external debt permitted. It must not be breached without Full Council approval.

**The Council is asked to approve the following authorised limit:**

Authorised limit £m	2016/17 Projected Outturn	2017/18 Estimate	2018/19 Estimate	2019/20 Estimate
Borrowing & OLTL	289.408	284.993	350.921	349.008
Headroom	20.000	20.000	20.000	20.000
<b>Total</b>	<b>309.408</b>	<b>304.993</b>	<b>370.921</b>	<b>369.008</b>



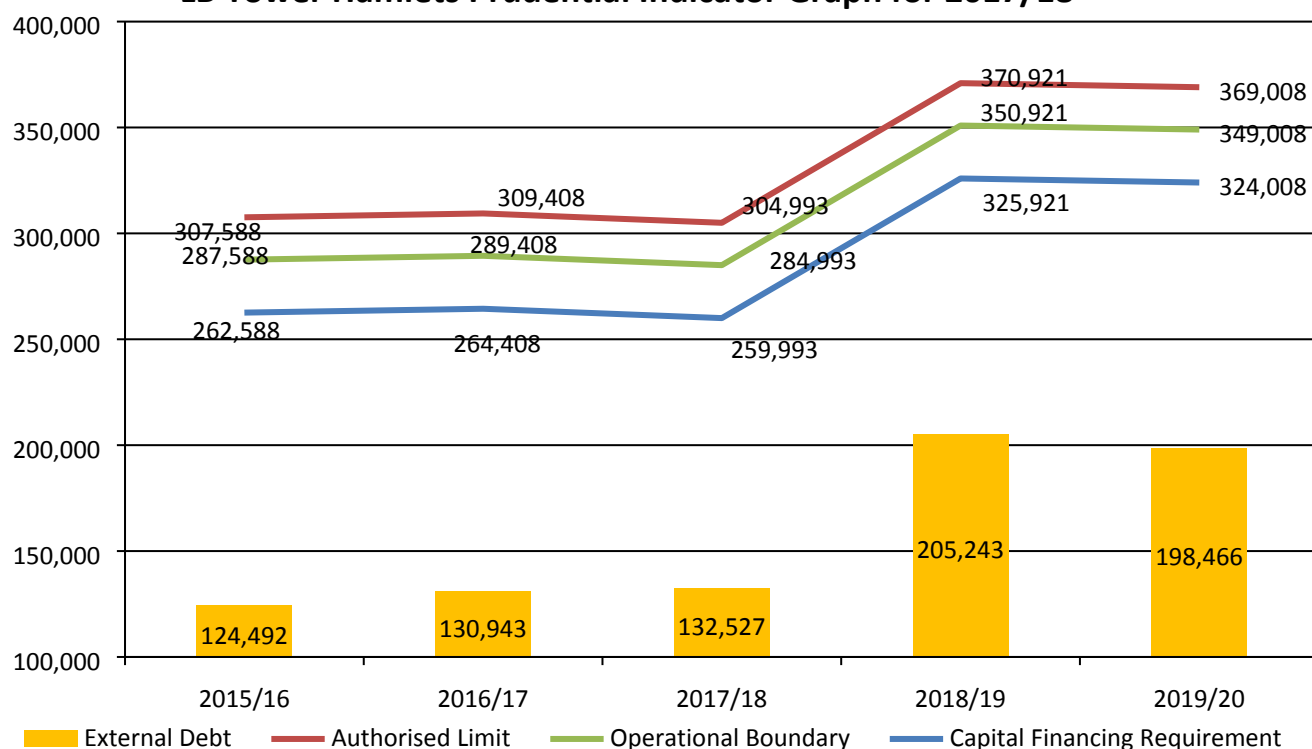
- **Operational Boundary for External Debt** – Most likely and prudent view on the level of gross external debt requirement. Debt includes external borrowings and other long term liabilities.

Operational Boundary £m	2016/17 Projected Outturn	2017/18 Estimate	2018/19 Estimate	2019/20 Estimate
Debt	251.899	248.689	315.964	315.593
Other long term liabilities	37.509	36.304	34.957	33.415
<b>Total</b>	<b>289.408</b>	<b>284.993</b>	<b>350.921</b>	<b>349.008</b>

- **HRA Debt Limit** – The HRA Self Financing regime came into effect on 1 April 2012. The new regime imposes a maximum HRA CFR on the Council. For this Council this has been set at £184m following repayment of HRA debt totalling £236.2m by the Government as part of debt settlement that preceded the implementation of the HRA Self Financing regime. In 2014, as part of the Local Growth Fund LBTH was awarded £8.225m of additional HRA borrowing capacity, so in effect the HRA debt cap is currently £192m.

HRA Debt Limit £m	2016/17 Projected Outturn	2017/18 Estimate	2018/19 Estimate	2019/20 Estimate
HRA debt cap	192.000	192.000	192.000	192.000
HRA CFR	83.266	83.533	148.858	146.309
<b>HRA Headroom</b>	<b>108.734</b>	<b>108.467</b>	<b>43.142</b>	<b>45.691</b>

**LB Tower Hamlets Prudential Indicator Graph for 2017/18**



### Investment returns expectations

- 5.9 Investments will be made with reference to the core balance and cash flow requirements and the outlook for short-term interest rates (i.e. rates for investments up to 12 months).
- 5.10 Policy Rate is forecast to remain flat at 0.25% until quarter 2 of 2019. Bank Rate forecasts for financial year ends (March) are:
- 2017/18 0.25%
  - 2018/19 0.25%
  - 2019/20 0.50%
- 5.11 There are downside risks to these forecasts (i.e. further reduction in Bank Rate) if economic growth weakens. However, should the pace of growth quicken and / or forecasts for increases in inflation rise, there could be an upside risk i.e. Bank Rate increases occur earlier and / or at a quicker pace.
- 5.12 Stated below are the estimated average investment earnings rates for investments placed during each financial year for the next three years:
- 2016/17 0.65%
  - 2017/18 0.45%
  - 2018/19 0.40%
  - 2019/20 0.50%
- 5.13 **Investment treasury indicator and limit** - total principal funds invested for greater than 1 year. These limits are set with regard to the Council's liquidity requirements and to reduce the need for early sale of an investment, and are based on the availability of funds after each year-end.
- 5.14 **Investments Longer than a Year:** The Code of Practice requires the Council to give consideration to longer-term investment and set an upper limit for principal sums to be invested for longer than one year. The Council currently has £50m limit for investments invested for longer than one year.
- 5.15 Therefore taking all of the abovementioned into consideration, in order for the Council to have flexibility in investing in high quality counterparties, such as the UK Government, it is recommended that the Council set an upper limit for principal sums to be invested for longer than one year at £100 million for 2017/18, £100 million for 2018/19, £100 million for 2019/20 and £100m for 2020/21.

#### **The Council is asked to approve the treasury indicator and limit: -**

<b>Maximum principal sums invested &gt; 1 year</b>					
<b>£m</b>	<b>2016/17</b>	<b>2017/18</b>	<b>2018/19</b>	<b>2019/20</b>	<b>2020/21</b>
Principal sums invested > 1 year	£50m	£100m	£100m	£100m	£100m

- 5.16 For its cash flow generated balances, the Council will seek to utilise money market funds and short-dated deposits (overnight to 100 days), such as its Santander 95 days call account in order to benefit from the compounding of interest.
- 5.17 **Provision for Credit-related Losses** - If any of the Council's investments appear at risk of loss due to default, provision would need to be made from revenue for the appropriate amount. The Council has no exposure to any banking failure.

## 6. **BORROWING STRATEGY**

- 6.1 The Council is currently maintaining an under-borrowed position. This means that the capital borrowing need (the Capital Financing Requirement), has not been fully funded with loan debt as cash supporting the Council's reserves, balances and cash flow has been used as a temporary measure. This strategy is prudent as investment returns are low and counterparty risk is relatively high.
- 6.2 Against this background and the risks within the economic forecast, caution will be adopted with the 2017/18 treasury operations. The Corporate Director Resources will monitor interest rates in financial markets and adopt a pragmatic approach to changing circumstances:
- if it was felt that there was a significant risk of a sharp FALL in long and short term rates (e.g. due to a marked increase of risks around relapse into recession or of risks of deflation), then long term borrowings will be postponed, and potential rescheduling from fixed rate funding into short term borrowing will be considered.
  - if it was felt that there was a significant risk of a much sharper RISE in long and short term rates than that currently forecast, perhaps arising from a greater than expected increase in the anticipated rate to US tapering of asset purchases, or in world economic activity or a sudden increase in inflation risks, then the portfolio position will be re-appraised with the likely action that fixed rate funding will be drawn whilst interest rates are still lower than they will be in the next few years.
- 6.3 Any decisions will be reported to the Cabinet and the full Council at the next available opportunity.
- 6.4 The Council's borrowing strategy will give consideration to new borrowing in the following order of priority: -
- The cheapest borrowing will be internal borrowing by running down cash balances and foregoing interest earned at historically low rates. However, in view of the overall forecast for long term borrowing rates to increase over the next few years, consideration will also be given to weighing the short term advantage of internal borrowing against potential long term costs if the opportunity is missed for taking loans at long term rates which will be higher in future years.
  - Temporary borrowing from the money markets or other local authorities
  - PWLB variable rate loans for up to 10 years
  - Short dated borrowing from non PWLB below sources
  - Long term fixed rate market loans at rates significantly below PWLB rates for the equivalent maturity period (where available) and to maintaining an appropriate balance between PWLB and market debt in the debt portfolio.
  - PWLB borrowing for periods under 10 years where rates are expected to be significantly lower than rates for longer periods. This offers a range of options for new borrowing which will spread debt maturities away from a concentration in longer dated debt
- 6.5 The Council will continue to borrow in respect of the following:
- Maturing debt (net of minimum revenue provision).

- Approved unsupported (prudential) capital expenditure.
- To finance cash flow in the short term.

6.6 The type, period, rate and timing of new borrowing will be determined by the Corporate Director Resources under delegated powers, taking into account the following factors:

- Expected movements in interest rates as outlined above.
- Current maturity profile.
- The impact on the medium term financial strategy.
- Prudential indicators and limits.

6.7 **Treasury management limits on borrowing activity** - There are three debt related treasury activity limits. The purpose of these are to restrain the activity of the treasury function within certain limits, thereby managing risk and reducing the impact of any adverse movement in interest rates. However, if these are set to be too restrictive they will impair the opportunities to reduce costs / improve performance. The indicators are:

- **Upper limits on variable interest rate exposure** - This identifies a maximum limit for variable interest rates based upon the debt position net of investments
- **Upper limits on fixed interest rate exposure** - This is similar to the previous indicator and covers a maximum limit on fixed interest rates;
- **Maturity structure of borrowing** - These gross limits are set to reduce the Council's exposure to large fixed rate sums falling due for refinancing, and are required for upper and lower limits.

**The Council is asked to approve the following treasury indicators and limits:**

	2017/18	2018/19	2019/20
<b>Interest rate exposures</b>			
	<b>Upper %</b>	<b>Upper %</b>	<b>Upper %</b>
<b>Limits on fixed interest rates based on net debt</b>	100	100	100
<b>Limits on variable interest rates based on net debt</b>	75	75	75
<b>Limits on fixed interest rates:</b>			
• <i>Debt only</i>	100	100	100
• <i>Investments only</i>	100	100	100
<b>Limits on variable interest rates</b>			
• <i>Debt only</i>	90	90	90
• <i>Investments only</i>	50	50	50
<b>Maturity structure of fixed interest rate borrowing 2017/18</b>			
	<b>Lower</b>	<b>Upper</b>	
Under 12 months	0%	10%	
12 months to 2 years	0%	30%	
2 years to 5 years	0%	40%	
5 years to 10 years	0%	80%	

10 years and above	0%	100%
<b>Maturity structure of variable interest rate borrowing 2017/18</b>		
	<b>Lower</b>	<b>Upper</b>
Under 12 months	0%	100%
12 months to 2 years	0%	100%
2 years to 5 years	0%	100%
5 years to 10 years	0%	100%
10 years and above	0%	100%

- 6.8 **Policy on borrowing in advance of need** - The Council will not borrow more than or in advance of its needs purely in order to profit from the investment of the extra sums borrowed. Any decision to borrow in advance will be within forward approved Capital Financing Requirement estimates, and will be considered carefully to ensure that value for money can be demonstrated and that the Council can ensure the security of such funds.
- 6.9 Borrowing in advance will be made within the constraints that:
- It will be limited to no more than 75% of the expected increase in borrowing need (CFR) over the three year planning period; and
  - Would not look to borrow more than 18 months in advance of need.
- 6.10 Risks associated with any borrowing in advance activity will be subject to prior appraisal and subsequent reporting through the mid-year or annual outturn reporting mechanism.
- 6.11 **Debt rescheduling** - As short term borrowing rates will be considerably cheaper than longer term fixed interest rates, there may be potential opportunities to generate savings by switching from long term debt to short term debt. However, these savings will need to be considered in the light of the current treasury position and the size of the cost of debt repayment (premiums incurred).
- 6.12 The reasons for any rescheduling to take place will include:
- the generation of cash savings and / or discounted cash flow savings;
  - helping to fulfil the treasury strategy;
  - enhance the balance of the portfolio (amend the maturity profile and/or the balance of volatility).
- 6.13 Consideration will also be given to identify if there is any residual potential for making savings by running down investment balances to repay debt prematurely as short term rates on investments are likely to be lower than rates paid on current debt.
- 6.14 All rescheduling will be reported to the Cabinet and Council, at the earliest meeting following its implementation.

## **7. ANNUAL INVESTMENT STRATEGY**

- 7.1 **Investment policy** - The Council's investment policy has regard to the CLG's Guidance on Local Government Investments ("the Guidance") and the revised CIPFA Treasury Management in Public Services Code of Practice and Cross Sectoral Guidance Notes ("the CIPFA TM Code"). The Council's investment priorities will be security first, liquidity second, then return.
- 7.2 In order to minimise the risk to investments, the Council applies minimum acceptable credit criteria in order to generate a list of highly creditworthy counterparties which also enables diversification and thus avoidance of concentration risk.
- 7.3 Ratings will not be the sole determinant of the quality of an institution as it is important to continually assess and monitor the financial sector on both a micro and macro basis and in relation to the economic and political environments in which institutions operate. The assessment will also take account of information that reflects the opinion of the markets. The Council will engage with its advisors to maintain a monitor on market pricing such as "credit default swaps" and overlay that information on top of the credit ratings.
- 7.4 Other information sources used will include the financial press, share price and other such information pertaining to the banking sector in order to establish the most robust scrutiny process on the suitability of potential investment counterparties.
- 7.5 Investment instruments identified for use in the financial year are listed in section 7.15 and 7.16-7.21, under the 'specified' and 'non-specified' investments categories.
- 7.6 **In summary** – considering the factors set out in Paragraphs 4-7, the recommended Investment Strategy is that:
- I. The cash balances, not immediately required to finance expenditure, are lent to the money market for the most appropriate periods as indicated by the cash flow model and current market and economic conditions;
  - II. Liquidity is maintained by the use of overnight deposits, MMF and call accounts;
  - III. The minimum amount of short-term cash balances required to support monthly cash flow management is £75 million;
  - IV. The upper limit for investments longer than one year is £100 million;
  - V. The maximum period for longer term lending is 5 years;
  - VI. All investment with institutions and investment schemes is undertaken in accordance with the Council's creditworthiness criteria as set out at section 7;
  - VII. More cautious investment criteria are maintained during times of market uncertainty;
  - VIII. All investment with institutions and investment schemes is limited to the types of investment set out under the Council's approved "Specified" and "Non-Specified" Investments detailed at section 7, and that professional advice continues to be sought where appropriate;
  - IX. All investment is managed within the Council's approved investment/asset class limits.

### **Creditworthiness Policy**

- 7.7 The primary principle governing the Council's investment criteria is the security of its investments, although the yield or return on the investment is also a key consideration. After this main principle, the Council will ensure that:
- It maintains a policy covering both the categories of investment types it will invest in, criteria for choosing investment counterparties with adequate security, and monitoring their security. This is set out in the specified and non-specified investment sections below; and
  - It has sufficient liquidity in its investments. For this purpose it will set out procedures for determining the maximum periods for which funds may prudently be committed. These procedures also apply to the Council's prudential indicators covering the maximum principal sums invested.
- 7.8 The Corporate Director Resources will maintain a counterparty list in compliance with the following criteria and will revise the criteria and submit them to Council for approval as necessary. These criteria are separate to that which determines which types of investment instrument are either specified or non-specified as it provides an overall pool of counterparties considered high quality which the Council may use, rather than defining what types of investment instruments are to be used.
- 7.9 The minimum rating criteria uses the lowest common denominator method of selecting counterparties and applying limits. This means that the application of the Council's minimum criteria will apply to the lowest available rating for any institution. For instance, if an institution is rated by two agencies, one meets the Council's criteria, the other does not, and consequently this institution will fall outside the Council's lending criteria.
- 7.10 Credit rating information is supplied by Capita Asset Services, the Council treasury consultants, on all active counterparties that comply with the criteria below. Any counterparty failing to meet the criteria would be omitted from the counterparty (dealing) list. Any rating changes, rating watches (notification of a likely change), rating outlooks (notification of a possible longer term change) are provided to officers almost immediately after they occur and this information is considered before dealing. This does not apply to the unrated building societies or banks whereby they are selected based on enhanced credit analysis.
- 7.11 The criteria for providing a pool of high quality investment counterparties (both specified and non-specified investments) are:
- 1) Banks with good credit quality – the Council will only use banks which:
    - i. are UK banks; and/or
    - ii. are non-UK and domiciled in a country which has a minimum sovereign Long Term rating of AAAAnd have, as a minimum, the following Fitch, Moody's and Standard and Poor's credit ratings (where rated):
    - i. Short Term – 'F1'
    - ii. Long Term – 'A-'

- (N.B. Viability, Financial Strength and Support ratings have been removed and will not be considered in choosing counterparties.)
- 2) Part nationalised UK banks – Lloyds Banking Group and Royal Bank of Scotland. These banks can be included if they continue to be part nationalised or they meet the ratings in Bank above.
  - 3) The Council’s own banker for transactional purposes if the bank falls below the above criteria, although in this case balances will be minimised in both monetary size and time.
  - 4) Bank subsidiary and treasury operation - The Council will use these where the parent bank has provided an appropriate guarantee or has the necessary ratings outlined above.
  - 5) Unrated/Challengers Banks – The Council will use unrated banks with assets in excess of £1.5bn. When investing with such institution, the Council will carry out an enhanced credit analysis in understanding the institution, its financials and credit capabilities.
    - I. The “RAG” framework will be used for Building societies as well as Banks, for the Council to evaluate and compare security and liquidity of investment opportunities.
    - II. The “RAG” (Red, Amber or Green) indicator framework is generally used to identify the strength of a company’s financial numbers.
    - III. For example, all the financials there will be pre-set categories which will classify institutions outcomes as Red, Amber or Green. These pre-set categories are industry dependent; e.g. a retail company is expected to generate higher cash flow than a bank.
  - 6) Building societies - The Council will use all building societies in the UK which:
    - iii. Meet the ratings for banks outlined above;
    - iv. Have assets in excess of £1.5bn;  
or meet both criteria.
  - 7) Money Market Funds (MMF) – AAA
  - 8) Enhanced Money Market Funds (EMMFs) – AAA
  - 9) Certificates of Deposits (CDs)
  - 10) Corporate Bonds
  - 11) Covered Bonds
  - 12) Property Funds
  - 13) Equity Funds
  - 14) UK Government (including gilts, treasury bills and the Debt management Account Deposit Facility, (DMADF))
  - 15) Local authorities, parish councils, Police and Fire Authorities
  - 16) Supranational institutions



7.12 **The Council is asked to approve the minimum credit rating required for an institution to be included in the Council’s counterparty list as follows:**

Agency	Long-Term	Short-Term
Fitch	A-	F1
Moody’s	A3	P-1
Standard & Poor’s	A-	A-1
Sovereign Rating	AAA	
Money Market Fund	AAA	

7.13 **Country and Product considerations** - Due care will be taken to consider the country, group and sector exposure of the Council’s investments. In part, the country selection will be chosen by the credit rating of the sovereign state in Banks above. In addition:

- No more than a maximum amount of £75m or 25% of the investments portfolio will be placed with any individual non-UK country with AAA sovereign rating at any time;
- limits in place above will apply to a group of institutions within a non UK country;
- Product limits will be monitored regularly for appropriateness.

7.14 **Use of additional information other than credit ratings** – Additional requirements under the Code requires the Council to supplement credit rating information. Whilst the above criteria relies primarily on the application of credit ratings to provide a pool of appropriate counterparties for officers to use, additional operational market information will be applied before making any specific investment decision from the agreed pool of counterparties. This additional market information are for example Credit Default Swaps, negative rating watches/outlooks, these will be applied to compare the relative security of differing investment counterparties.

**Time and monetary limits applying to investments**

7.15 **Specified Investments:** It is recommended that the Council should make Specified investment as detailed below, all such investments will be sterling denominated, with maturities up to maximum of 1 year, meeting the minimum ‘high credit’ quality criteria where applicable. The Council will continue its policy of lending surplus cash to counterparties that have high credit ratings, defining ‘high credit rating’ as being F1 Fitch short-term and A- long-term credit rating or equivalent Moody’s or Standard and Poor’s rating.

Specified Investments	Fitch Long term Rating (or equivalent)	Money Limit	Time Limit
Term Deposits (Banks - higher quality)	Short-term F1+, Long-term AA	£30m	1 year
Term Deposits (Banks – medium (high) quality)	Short-term F1, Long-term A+	£25m	1 year
Term Deposits (Banks – medium (low) quality)	Short-term F1, Long-term A	£20m	1 year
Term Deposits (Banks - lower quality)	Short-term F1, Long-term A-	£10m	6 months
Banks - part nationalised (per group)	N/A	£70m	1 year
Council's banker (not meeting lending criteria)	XXX	£25m	1 day
DMADF	N/A	unlimited	6 months
Local authorities	N/A	£20m	1 year
Treasury Bills	Long Term AAA	No Limit	1 year
UK Government Gilts	N/A	No Limit	1 year
Covered Bonds	Long Term AAA	£25m	1 year
Non-UK Government Bonds	Sovereign AAA Long Term AAA	£25m	1 year
Certificates of Deposits	As Term Deposits above	As Term Deposits above	As Term Deposits above
Corporate Bond Funds	As Term Deposits above	As Term Deposits above	As Term Deposits above
<b>Collective Investment Schemes structured as Open Ended Investment Companies (OEICs)</b>			
	Fund rating	Money Limit (per fund)	Time Limit
Money market funds (Sterling)	AAA	£25m	liquid
Enhanced Cash Funds	AAAV1	£20m	liquid
Cash Funds	AAA	£20m	liquid
Bond Funds	AAA	£20m	liquid

**Non-Specified Investments:**

- 7.16 All investments that do not qualify as specified investments are termed non-specified investments. The table below details the total percentage of the Annual Principal Sums that can be Invested for more than 1 year and can be held in each category of investment, for example 100% of the Principal Sums limit can be held with the UK Government at any one time.
- 7.17 **Unrated banks, building societies and other institutions** are classed as non-specified investments irrespective of the investment period. When investing with this institution, the Council will carry out an enhanced credit analysis in understanding the institution, its financials and credit capabilities.
- 7.18 The “RAG” (Red, Amber or Green) framework will be used by the Council to evaluate and compare the security and liquidity elements of investment opportunities with unrated institutions as deemed appropriate.
- 7.19 The “RAG” indicator framework is generally used to identify the strength of a company’s financial numbers. For example, all for the financial sector there will be pre-set categories which will classify institutions outcomes as Red, Amber or Green. These pre-set categories are industry dependent; e.g. a retail company is expected to generate higher cash flow than a bank.

**In assessing investment opportunities with unrated UK Banks, Building Societies and other Institutions the Council will look at the following metrics:**

Ratio	Red	Amber	Green
Total Debt / Equity	<5	5-10	>10
Net Interest Margin	<0	0-1.5	>1.5
CET1 Ratio	<9	9-13%	>13%
Capital Adequacy Ratio	<0	10-12%	>12%
Total Capital Ratio	<8	8-14%	>14%

Ratio	Red	Amber	Green
Tangible Equity Ratio	<3	3-5	>5
Loan to Deposit Ratio	>110	100-110	<100
Non-performing loan Ratio	>5	2-5	<2
Return on Equity	<0%	0-10%	>10%
Dividend yield	0-8%	8-12%	>12%
P/E Ratio	<0	0-10	>10%

- 7.20 Whilst the Council look for as many ‘greens’ as possible, a balance of ratios that indicate long-term solvency and ability for the institution to service and repay debts is most important.

**Minimum Criteria for considering Unrated Institutions with money and time limits:**

	<b>Institution Assets Value</b>	<b>Money Limit</b>	<b>Time Limit</b>
Unrated UK Building Societies & Challenger Banks with assets in excess of:	£1.5bn £2.0bn	£3m £5m	6 months 12 months

7.21 It is considered that the maximum nominal value of overall investments that the Council should hold for more than one year and less than 5 years is £100m. (Investments with maturity over one year) **The prudential indicator figure of £100m is therefore recommended.**

**The credit criteria for non-specified investments are detailed in the table below:**

<b>Non-Specified Investments</b>	<b>Fitch Long term Rating (or Equivalent)</b>	<b>Time Limit</b>	<b>Monetary Limit</b>
Term deposits – Banks and Building Societies	Short-term F1+, Long-term AA-	5 years	£25m
Structured Deposits: Fixed term deposits with variable rate and variable maturities	Short-term F1+, Long-term AA-	5 years	£25m
Part Nationalised or Wholly Owned UK Banks	N/A	5 years	£25m
Certificates of Deposits	Short-term F1+, Long-term AA-	5 years	£25m
Corporate Bonds	Short-term F1+, Long-term AA-	5 years	£25m
Covered Bonds	Long Term AAA	5 years	£25m
Equity Funds	N/A	5 years	£25m
Property Funds	N/A	5 years	£25m
UK Government Gilts	N/A	5 years	100% of Investment Portfolio

**The Council is asked to approved the above criteria for specified and all non-specified investments.**

7.22 Country limits - The Council has determined that it will only use approved counterparties from non UK countries with a minimum sovereign credit rating of AAA from Fitch (or equivalent). A counterparty list will be compiled based on this sovereign rating of AAA and in accordance with the Council's minimum credit rating criteria policy for institutions and qualified institutions will be added to this list, and unqualified

institutions will be removed from the list, by officers as deemed appropriate. Please see Appendix 3 for qualified countries and their institutions as of 03/01/2017.

## **APPENDICES**

*Appendix 1 – Prudential and Treasury Indicators*

*Appendix 2 – Definition of Credit Ratings*

*Appendix 3 – Counter Party Credit Rating List*

*Appendix 4 – Treasury Management Policy Statement*

*Appendix 5 – Treasury Management Scheme of Delegation*

*Appendix 6 – Treasury Management Reporting Arrangement*

*Appendix 7 - Glossary*

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

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

**Brief description of “background papers”**

**Name and telephone number of holder  
and address where open to inspection.**

*Bola Tobun, x4733, Mulberry Place*

**PRUDENTIAL AND TREASURY MANAGEMENT INDICATORS FOR 2017/18**

Prudential Indicators	2015/16	2016/17	2016/17	2017/18	2018/19	2019/20
Extract from Estimate and rent setting reports	Actual	Original Estimate	Projected Outturn	Estimate	Estimate	Estimate
	£m	£m	£m	£m	£m	£m
<b>Capital Expenditure</b>						
Non – HRA	26.620	89.475	46.572	74.178	56.997	34.900
HRA	66.359	138.315	89.345	77.720	83.444	0.000
<b>TOTAL</b>	<b>92.979</b>	<b>227.790</b>	<b>135.917</b>	<b>151.898</b>	<b>140.441</b>	<b>34.900</b>
<b>Ratio of Financing Costs to Net Revenue Stream</b>						
Non – HRA	0.84%	1.09%	0.82%	0.79%	0.92%	1.02%
HRA	4.02%	5.94%	5.23%	6.12%	10.30%	10.77%
	£m	£m	£m	£m	£m	£m
<b>Gross Debt and Capital Financing Requirement</b>						
Gross Debt	124.492	133.361	130.943	132.527	205.243	198.466
Capital Financing Requirement	262.588	287.173	264.408	259.993	325.921	324.008
Over/(Under) Borrowing	(138.096)	(153.812)	(133.465)	(127.466)	(120.678)	(125.541)
<b>In Year Capital Financing Requirement</b>						
HRA	5.908		0.355	1.500	6.750	6.750
Non – HRA	(6.980)	21.804	10.237	2.821	67.876	0.000
<b>TOTAL</b>	<b>(1.072)</b>	<b>21.804</b>	<b>10.592</b>	<b>4.321</b>	<b>74.626</b>	<b>6.750</b>
<b>Capital Financing Requirement as at 31 March</b>						
Non - HRA	187.005	192.310	181.143	176.459	177.063	177.699
HRA	75.583	94.864	83.266	83.533	148.858	146.309
<b>TOTAL</b>	<b>262.588</b>	<b>287.173</b>	<b>264.408</b>	<b>259.993</b>	<b>325.921</b>	<b>324.008</b>
<b>Incremental Impact of Financing Costs (£)</b>						
Increase in Council Tax (band D) per annum	24.055	24.458	29.224	32.537	31.224	30.074
Increase in average housing rent per week	5.615	2.855	2.123	1.458	6.397	0.923

Treasury Management Indicators	2015/16	2016/17	2016/17	2017/18	2018/19	2019/20
	Actual	Original Estimate	Projected Outturn	Estimate	Estimate	Estimate
	£m	£m	£m	£m	£m	£m
<b>Authorised Limit For External Debt -</b>						
Borrowing & Other long term liabilities	287.588	312.173	289.408	284.993	350.921	349.008
Headroom	20.000	20.000	20.000	20.000	20.000	20.000
<b>TOTAL</b>	<b>307.588</b>	<b>332.173</b>	<b>309.408</b>	<b>304.993</b>	<b>370.921</b>	<b>369.008</b>
<b>Operational Boundary For External Debt -</b>						
Borrowing	87.825	274.664	251.899	248.689	315.964	315.593
Other long term liabilities	38.472	37.509	37.509	36.304	34.957	33.415
<b>TOTAL</b>	<b>126.297</b>	<b>312.173</b>	<b>289.408</b>	<b>284.993</b>	<b>350.921</b>	<b>349.008</b>
<b>Gross Borrowing</b>	<b>124.492</b>	<b>133.361</b>	<b>130.943</b>	<b>132.527</b>	<b>205.243</b>	<b>198.466</b>
<b>HRA Debt Limit*</b>	<b>184.381</b>	<b>192.000</b>	<b>192.000</b>	<b>192.000</b>	<b>192.000</b>	<b>192.000</b>
<b>Upper Limit For Fixed Interest Rate Exposure</b>						
Net principal re fixed rate borrowing / investments	100%	100%	100%	100%	100%	100%
<b>Upper Limit For Variable Rate Exposure</b>						
Net interest payable on variable rate borrowing / investments	20%	20%	20%	20%	20%	20%
<b>Upper limit for total principal sums invested for over 12 months (per maturity date)</b>	<b>£50m</b>	<b>£50m</b>	<b>£100m</b>	<b>£100m</b>	<b>£100m</b>	<b>£100m</b>

Maturity structure of new fixed rate borrowing during 2017/18	Upper Limit	Lower Limit
under 12 months	10%	0%
12 months and within 24 months	30%	0%
24 months and within 5 years	40%	0%
5 years and within 10 years	80%	0%
10 years and above	100%	0%

**Appendix 2**  
**Support Ratings**

**Definition of Fitch Credit Ratings**

Rating	Current Definition (December 2014)
1	A bank for which there is an extremely high probability of external support. The potential provider of support is very highly rated in its own right and has a very high propensity to support the bank in question. This probability of support indicates a minimum Long-term rating floor of 'A-'.
2	A bank for which there is a high probability of external support. The potential provider of support is highly rated in its own right and has a high propensity to provide support to the bank in question. This probability of support indicates a minimum Long-term rating floor of 'BBB-'.
3	A bank for which there is a moderate probability of support because of uncertainties about the ability or propensity of the potential provider of support to do so. This probability of support indicates a minimum Long-term rating floor of 'BB-'.
4	A bank for which there is a limited probability of support because of significant uncertainties about the ability or propensity of any possible provider of support to do so. This probability of support indicates a minimum Long-term rating floor of 'B'.
5	A bank for which external support, although possible, cannot be relied upon. This may be due to a lack of propensity to provide support or to very weak financial ability to do so. This probability of support indicates a Long-term rating floor no higher than 'B-' and in many cases no floor at all.

**Short-term Ratings**

Rating	Current Definition (December 2014)
F1	<b>Highest short-term credit quality.</b> Indicates the strongest capacity for timely payment of financial commitments; may have an added "+" to denote any exceptionally strong credit feature.
F2	<b>Good short-term credit quality.</b> A satisfactory capacity for timely payment of financial commitments, but the margin of safety is not as great as in the case of the higher ratings.
F3	<b>Fair short-term credit quality.</b> The capacity for timely payment of financial commitments is adequate; however, near-term adverse changes could result in a reduction to non-investment grade.



## Long -term Ratings

Rating	Current Definition (December 2014)
<b>AAA</b>	<b>Highest credit quality</b> - 'AAA' ratings denote the lowest expectation of credit risk. They are assigned only in case of exceptionally strong capacity for timely payment of financial commitments. This capacity is highly unlikely to be adversely affected by foreseeable events.
<b>AA</b>	<b>Very high credit quality</b> - 'AA' ratings denote a very low expectation of credit risk. They indicate very strong capacity for timely payment of financial commitments. This capacity is not significantly vulnerable to foreseeable events.
<b>A</b>	<b>High credit quality</b> - 'A' ratings denote a low expectation of credit risk. The capacity for timely payment of financial commitments is considered strong. This capacity may, nevertheless, be more vulnerable to changes in circumstances or in economic conditions than is the case for higher ratings.
<b>BBB</b>	<b>Good credit quality</b> - 'BBB' ratings indicate that there is currently a low expectation of credit risk. The capacity for timely payment of financial commitments is considered adequate, but adverse changes in circumstances and in economic conditions is more likely to impair this capacity. This is the lowest investment-grade category.
<b>BB</b>	<b>Speculative</b> - 'BB' ratings indicate an elevated vulnerability to default risk, particularly in the event of adverse changes in business or economic conditions over time; however, business or financial flexibility exists which supports the servicing of financial commitments.
<b>B</b>	<b>Highly speculative</b> - 'B' ratings indicate that material default risk is present, but limited margin of safety remains. Financial commitments are currently being met however, capacity for continued payment is vulnerable to deterioration in the business and economic environment.
<b>CCC</b>	<b>Substantial credit risk</b> – 'CCC' Default is a real possibility.
<b>CC</b>	<b>Very high levels of credit risk</b> – 'CC' Default of some kind appears probable
<b>C</b>	<b>Exceptionally high levels of credit risk</b> Default is imminent or inevitable, or the issuer is in standstill. Conditions that are indicative of a 'C' category rating for an issuer include: a. the issuer has entered into a grace or cure period following non-payment of a material financial obligation; b. the issuer has entered into a temporary negotiated waiver or standstill agreement following a payment default on a material financial obligation; or c. Fitch Ratings otherwise believes a condition of 'RD' or 'D' to be imminent or inevitable, including through the formal announcement of a distressed debt exchange. (RD – stands for restricted default and D – default).

Note:

The modifiers "+" or "-" may be appended to a rating to denote relative status within major rating categories. Such suffixes are not added to the 'AAA' Long-Term IDR category, or to Long-Term IDR categories below 'B'.

## London Borough of Tower Hamlets Counterparty Credit Rating List as at 03/01 2017

Counterparty	Fitch Ratings				Moody's Ratings				S&P Ratings			
	Long Term		Short Term		Long Term		Short Term		Long Term		Short Term	
<b>Australia</b>	SB	AAA			SB	Aaa			NO	AAA		
Banks												
Australia and New Zealand Banking Group Ltd.	SB	AA-		F1+	NO	Aa2		P-1	NO	AA-		A-1+
Commonwealth Bank of Australia	SB	AA-		F1+	NO	Aa2		P-1	NO	AA-		A-1+
Macquarie Bank Ltd.	SB	A		F1	SB	A2		P-1	NO	A		A-1
National Australia Bank Ltd.	SB	AA-		F1+	NO	Aa2		P-1	NO	AA-		A-1+
Westpac Banking Corp.	SB	AA-		F1+	NO	Aa2		P-1	NO	AA-		A-1+
<b>Canada</b>	SB	AAA			SB	Aaa			SB	AAA		
Banks												
Bank of Montreal	SB	AA-		F1+	NO	Aa3		P-1	SB	A+		A-1
Bank of Nova Scotia	SB	AA-		F1+	NO	Aa3		P-1	SB	A+		A-1
Canadian Imperial Bank of Commerce	SB	AA-		F1+	NO	Aa3		P-1	SB	A+		A-1
National Bank of Canada	SB	A+		F1	NO	Aa3		P-1	SB	A		A-1
Royal Bank of Canada	NO	AA		F1+	NO	Aa3		P-1	NO	AA-		A-1+
Toronto-Dominion Bank	SB	AA-		F1+	NO	Aa1		P-1	SB	AA-		A-1+
<b>Denmark</b>	SB	AAA			SB	Aaa			SB	AAA		
Banks												
Danske A/S	SB	A		F1	PO	A1		P-1	SB	A		A-1
<b>Germany</b>	SB	AAA			SB	Aaa			SB	AAA		
Banks												
DZ BANK AG Deutsche Zentral-Genossenschaftsbank	SB	AA-		F1+	SB	Aa1		P-1	SB	AA-		A-1+
Landesbank Berlin AG					PO	Aa3		P-1				
Landesbank Hessen-Thüringen Girozentrale	SB	A+		F1+	SB	Aa3		P-1	SB	A		A-1
Landwirtschaftliche Rentenbank	SB	AAA		F1+	SB	Aaa		P-1	SB	AAA		A-1+
NRW.BANK	SB	AAA		F1+	SB	Aa1		P-1	SB	AA-		A-1+
<b>Netherlands</b>	SB	AAA			SB	Aaa			SB	AAA		
Banks												
ABN AMRO Bank N.V.	SB	A+		F1	SB	A1		P-1	SB	A		A-1
Bank Nederlandse Gemeenten N.V.	SB	AA+		F1+	SB	Aaa		P-1	SB	AAA		A-1+
Coöperatieve Rabobank U.A.	SB	AA-		F1+	NO	Aa2		P-1	SB	A+		A-1
ING Bank N.V.	SB	A+		F1	SB	A1		P-1	SB	A		A-1
Nederlandse Waterschapsbank N.V.					SB	Aaa		P-1	SB	AAA		A-1+
<b>Singapore</b>	SB	AAA			SB	Aaa			SB	AAA		
Banks												
DBS Bank Ltd.	SB	AA-		F1+	SB	Aa1		P-1	SB	AA-		A-1+
Oversea-Chinese Banking Corp. Ltd.	SB	AA-		F1+	SB	Aa1		P-1	SB	AA-		A-1+

	United Overseas Bank Ltd.	SB	AA-		F1+	SB	Aa1		P-1	SB	AA-		A-1+
<b>Sweden</b>		SB	AAA			SB	Aaa			SB	AAA		
Banks	Nordea Bank AB	SB	AA-		F1+	SB	Aa3		P-1	NO	AA-		A-1+
	Skandinaviska Enskilda Banken AB	SB	AA-		F1+	SB	Aa3		P-1	SB	A+		A-1
	Svenska Handelsbanken AB	SB	AA		F1+	SB	Aa2		P-1	NO	AA-		A-1+
	Swedbank AB	SB	AA-		F1+	SB	Aa3		P-1	NO	AA-		A-1+
<b>Switzerland</b>		SB	AAA			SB	Aaa			SB	AAA		
Banks	Credit Suisse AG	SB	A		F1	SB	A1		P-1	SB	A		A-1
	UBS AG	SB	A+		F1	SB	Aa3		P-1	SB	A+		A-1
<b>United Kingdom</b>		NO	AA			NO	Aa1			NO	AA		
AAA rated and Government backed securities	Debt Management Office												
Banks	Bank of Scotland PLC	SB	A+		F1	SB	A1		P-1	NO	A		A-1
	Close Brothers Ltd	SB	A		F1	SB	Aa3		P-1				
	Co-operative Bank PLC (The)	SB	B		B	PO	Caa2		NP				
	Goldman Sachs International Bank	SB	A		F1	SB	A1		P-1	SB	A+		A-1
	HSBC Bank PLC	SB	AA-		F1+	NO	Aa2		P-1	NO	AA-		A-1+
	Lloyds Bank Plc	SB	A+		F1	SB	A1		P-1	NO	A		A-1
	Santander UK PLC	PO	A		F1	NO	Aa3		P-1	NO	A		A-1
	Standard Chartered Bank	SB	A+		F1	NO	Aa3		P-1	SB	A		A-1
	Sumitomo Mitsui Banking Corporation Europe	NO	A		F1	SB	A1		P-1	PO	A		A-1
	UBS Ltd.	SB	A+		F1	SB	A1		P-1	SB	A+		A-1
	Ulster Bank Ltd	SB	BBB+		F2	PO	A3		P-2	SB	BBB		A-2
Building Society	Coventry Building Society	SB	A		F1	NO	A2		P-1				
	Cumberland Building Society												
	Leeds Building Society	SB	A-		F1	NO	A2		P-1				
	National Counties Building Society												
	Nationwide Building Society	PO	A		F1	NO	Aa3		P-1	NO	A		A-1
	Newcastle Building Society	SB	WD		WD								
	Nottingham Building Society					NO	Baa1		P-2				
	Principality Building Society	SB	BBB+		F2	SB	Baa3		P-3				
	Progressive Building Society												
	Skipton Building Society	SB	A-		F1	PO	Baa2		P-2				
	West Bromwich Building Society					SB	B1		NP				
Yorkshire Building Society	SB	A-		F1	SB	A3		P-2					
Nationalised and Part	National Westminster Bank PLC	SB	BBB+		F2	PO	A3		P-2	SB	BBB+		A-2

Nationalised Banks	The Royal Bank of Scotland Plc	SB	BBB+		F2	PO	A3		P-2	SB	BBB+		A-2
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## Appendix 4

### Treasury Management Policy Statement

The London Borough of Tower Hamlets defines the policies and objectives of its treasury management activities as follows: -

1. This organisation defines its treasury management activities as:  
 “The management of the authority’s cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks”.
2. This organisation regards the successful identification, monitoring and control of risk to be the prime criteria by which the effectiveness of its treasury management activities will be measured. Accordingly, the analysis and reporting of treasury management activities will focus on their risk implications for the organisation.
3. This organisation acknowledges that effective treasury management will provide support towards the achievement of its business and service objectives. It is therefore committed to the principles of achieving best value in treasury management, and to employing suitable performance measurement techniques, within the context of effective risk management.”

### Policy on use of an External Treasury Advisor

The Council shall employ an external treasury advisor to provide treasury management advice and cash management support services. However, the Council shall control the credit criteria and the associated counter-party list for investments.

The Council recognises that there is value in employing external providers of treasury management services in order to acquire access to specialist skills and resources. The Council will ensure that the terms of their appointment and the methods by which their value will be assessed are properly agreed and documented, and subjected to regular review.

## Treasury Management Scheme of Delegation

### 1. Full Council / Cabinet

- receiving and reviewing reports on treasury management policies, practices and activities
- receiving the mid-year and annual (outturn) reports
- approval of annual strategy.

### 2. Cabinet /Section 151 Officer

- approval of/amendments to the organisation's adopted clauses and treasury management policy statement
- budget consideration and approval
- approval of the division of responsibilities
- approving the selection of external service providers and agreeing terms of appointment.

### 3. Audit Committee

- reviewing the treasury management policy and procedures and making recommendations to the responsible body.
- receiving and reviewing regular monitoring reports and acting on recommendations

## Appendix 6

### Treasury Management Reporting Arrangement

Area of Responsibility	Council/Committee/ Officer	Frequency
Treasury Management Strategy Statement/ Annual Investment Strategy/ Minimum Revenue Provision Policy	Full Council	Annually before the start of the financial year to which policies relate
Mid-Year Treasury Management Report	Full Council	Semi-Annually in the financial year to which policies relate
Updates or revisions to the Treasury Management Strategy Statement/ Annual Investment Strategy/ Minimum Revenue Provision Policy	Audit Committee or Full Council	As necessary
Annual Treasury Outturn Report	Audit Committee and Full Council	Annually by 30 September after the year end to which the report relates
Treasury Management Practices	Corporate Director-Resources	N/A
Scrutiny of Treasury Management Strategy Statement	Overview and Scrutiny Committee (if called in) / Audit Committee	Annually before the start of the financial year to which the report relates
Scrutiny of Treasury Management Performance	Audit Committee	Quarterly

## Appendix 7 - GLOSSARY


Asset Life	How long an asset, e.g. a Council building is likely to last.
Borrowing Portfolio	A list of loans held by the Council.
Borrowing Requirements	The principal amount the Council requires to borrow to finance capital expenditure and loan redemptions.
Capitalisation direction or regulations	Approval from central government to fund certain specified types of revenue expenditure from capital resources.
CIPFA Code of Practice on Treasury Management	A professional code of Practice which regulates treasury management activities.
Capital Financing Requirement (CFR)	Capital Financing Requirement- a measure of the Council's underlying need to borrow to fund capital expenditure.
Certificates of Deposits	A certificate of deposit (CD) is a time deposit, a financial product. CDs are similar to savings accounts in that they are insured and thus virtually risk free; they are "money in the bank." They are different from savings accounts in that the CD has a specific, fixed term (often monthly, three months, six months, or one to five years) and, usually, a fixed interest rate. It is intended that the CD be held until maturity, at which time the money may be withdrawn together with the accrued interest.
Commercial paper	Commercial paper is a money-market security issued (sold) by large corporations to obtain funds to meet short-term debt obligations (for example, payroll), and is backed only by an issuing bank or corporation's promise to pay the face amount on the maturity date specified on the note. Since it is not backed by collateral, only firms with excellent credit ratings from a recognized credit rating agency will be able to sell their commercial paper at a reasonable price. Commercial paper is usually sold at a discount from face value, and carries higher interest repayment rates than bonds
Counterparties	Organisations or Institutions the Council lends money to e.g. Banks; Local Authorities and MMF.
Corporate bonds	A corporate bond is a bond issued by a corporation. It is a bond that a corporation issues to raise money effectively in order to expand its business. The term is usually applied to longer-term debt instruments, generally with a maturity date falling at least a year after their issue date.
Covered bonds	A covered bond is a corporate bond with one important enhancement: recourse to a pool of assets that secures or "covers" the bond if the originator (usually a financial institution) becomes insolvent. These assets act as additional credit cover; they do not have any bearing on the contractual cash flow to the investor, as is the case with Securitized assets.

Consumer Prices Index & Retail Prices Index (CPI & RPI)	The main inflation rate used in the UK is the CPI. The Chancellor of the Exchequer bases the UK inflation target on the CPI. The CPI inflation target is set at 2%. The CPI differs from the RPI in that CPI excludes housing costs. Also used is RPIX, which is a variation of RPI, one that removes mortgage interest payments.
Credit Default Swap (CDS)	A kind of protection that can be purchased by MMF companies from insurance companies (for their investment) in exchange for a payoff if the organisation they have invested in does not repay the loan i.e. they default.
Credit watch	Variety of special programs offered by credit rating agencies and financial institutions to monitor organisation/individual's (e.g. bank) credit report for any credit related changes. A credit watch allows the organisation/individuals to act on any red flags before they can have a detrimental effect on credit score/history.
Credit Arrangements	Methods of Financing such as finance leasing
Credit Ratings	A scoring system issued by credit rating agencies such as Fitch, Moody's and Standard & Poors that indicate the financial strength and other factors of a bank or similar Institution.
Creditworthiness	How highly rated an institution is according to its credit rating.
Debt Management Office (DMO)	The DMO is an agency of the HM Treasury which is responsible for carrying out the Government's Debt Management Policy.
Debt Rescheduling	The refinancing of loans at different terms and rates to the original loan.
Depreciation Method	The spread of the cost of an asset over its useful life.
Gilt	Gilt-edged securities are bonds issued by certain national governments. The term is of British origin, and originally referred to the debt securities issued by the Bank of England, which had a gilt (or gilded) edge. Hence, they are known as gilt-edged securities, or gilts for short. Today the term is used in the United Kingdom as well as some Commonwealth nations, such as South Africa and India. However, when reference is made to "gilts", what is generally meant is "UK gilts," unless otherwise specified.
Interest Rate exposures	A measure of the proportion of money invested and what impact movements in the financial markets would have on them.
The International Monetary Fund (IMF)	is an intergovernmental organisation which states its aims as to foster global monetary cooperation, secure financial stability, facilitate international trade, promote high employment and sustainable economic growth, and reduce poverty around the world.
Impaired investment	An investment that has had a reduction in value to reflect



	changes that could impact significantly on the benefits expected from it.
LIBID	The London Interbank Bid Rate – it is the interest rate at which major banks in London are willing to borrow (bid for) funds from each other.
Market Loans	Loans from banks available from the London Money Market including LOBOS (Lender Option, Borrowing Option) which enable the authority to take advantage of low fixed interest for a number of years before an agreed variable rate comes into force.
Money Market Fund (MMF)	A ‘pool’ of different types of investments managed by a fund manager that invests in lightly liquid short term financial instruments with high credit rating.
Monetary Policy Committee (MPC)	Committee designated by the Bank of England, whose main role is to regulate interest rates.
Minimum Revenue Provision (MRP)	This is the amount which must be set aside from the revenue budget each year to cover future repayment of loans.
Non Specified Investments	Investments deemed to have a greater element of risk such as investments for longer than one year
Premium	Cost of early repayment of loan to PWLB to compensate for any losses that they may incur
Prudential Indicators	Set of rules providing local authorities borrowing for funding capital projects under a professional code of practice developed by CIPFA and providing measures of affordability and prudence reflecting the Council’s Capital Expenditure, Debt and Treasury Management.
PWLB	Public Works Loan Board, a statutory body whose function is to lend money to Local Authorities (LAs) and other prescribed bodies. The PWLB normally are the cheapest source of long term borrowing for LAs.
Specified Investments	Investments that meet the Council’s high credit quality criteria and repayable within 12 months.
Supranational bonds	Supranational bonds are issued by institutions that represent a number of countries, not just one. Thus, organisations that issue such bonds tend to be the World Bank or the European Investment Bank. The issuance of these bonds are for the purpose of promoting economic development
Treasury bills (or T-bills)	Treasury bills (or T-bills) mature in one year or less. Like zero-coupon bonds, they do not pay interest prior to maturity; instead they are sold at a discount of the par value to create a positive yield to maturity. Many regard Treasury bills as the least risky investment available.
Unrated institution	An institution that does not possess a credit rating from one of the main credit rating agencies.
Unsupported Borrowing	Borrowing where costs are wholly financed by the Council.



<b>Cabinet Decision</b> 7 February 2017	 <b>TOWER HAMLETS</b>
<b>Report of:</b> Aman Dalvi, Corporate Director - Place Zena Cooke, Corporate Director - Resources	<b>Classification:</b> Unrestricted
<b>Housing Revenue Account – Budget Report 2017/18</b>	

Lead Member	Councillor David Edgar, Cabinet Member, Resources
Originating Officers	Paul Leeson, Finance Business Partner Katherine Ball, Senior Accountant (HRA & Capital)
Wards affected	All
Community Plan Theme	One Tower Hamlets
Key Decision?	Yes

## Executive Summary

This is the second report on the Housing Revenue Account (HRA) for 2017/18, and follows the noting of the Mayor in Cabinet on 10<sup>th</sup> January 2017 of the 2017/18 1% rent reduction and agreement of the tenant service charges. This report seeks Mayoral approval of the draft HRA budget for 2017/18 as set out in Appendix 1, and of the Management Fee payable to Tower Hamlets Homes.

This report also seeks Mayoral approval for the adoption of various housing capital estimates.

## Recommendations

The Mayor in Cabinet is recommended to:-

### Revenue

1. Approve the draft 2017/18 Housing Revenue Account budget as set out in Appendix 1.
2. Approve the draft 2017/18 Management Fee payable to Tower Hamlets Homes (THH) of £31.946 million as set out in Table 4 at paragraph 10.8.
3. Note that under the Management Agreement between the Council and THH, THH manages delegated income and expenditure budgets on behalf of the Council. The principal delegated income budgets are for rental income and

service charges, and the major item of delegated expenditure is repairs and maintenance. In 2017/18, THH will manage delegated income budgets totalling £88.262 million, and delegated expenditure budgets of £24.066 million.

4. Note the HRA Medium Term Financial Plan (2017/18 to 2021/22) outlined in Appendix 2.

### Capital

1. Adopt a capital estimate of £17.625 million in relation to works programmed for 2017/18 on Council housing stock, as outlined in paragraph 12.2.
2. Note that the capital estimate of £17.265 million set out in 1. above includes a sum of £1 million to fund Overcrowding Reduction Initiatives as outlined in paragraph 12.3, £500,000 for the Aids and Adaptations programme, £1.5 million for the Capitalisation of Voids and £650,000 for the Capitalisation of Fees and Salaries as detailed in paragraph 12.4, as well as £500,000 as a contingency for urgent works as outlined in paragraph 12.5.

## **1. REASONS FOR THE DECISIONS**

- 1.1 The Mayor is required by the Local Government and Housing Act 1989 to determine a balanced Housing Revenue Account (HRA) budget prior to the start of the new financial year. The Council must also approve the Management Fee payable to Tower Hamlets Homes (THH) so that it can fulfil its obligations under the Management Agreement to manage the housing stock on behalf of the Council.
- 1.2 In accordance with Financial Regulations, capital schemes must be included within the Council's capital programme, and capital estimates adopted prior to any expenditure being incurred. This report seeks the adoption of the necessary capital estimates for various schemes in order that they can be progressed.

## **2. ALTERNATIVE OPTIONS**

- 2.1 The Council has a statutory duty to set a balanced HRA and provide THH with the resources to fulfil its obligations under the Management Agreement. Whilst there may be other ways of delivering a balanced HRA, the proposals contained in this report are considered the most effective, having regard to the matters set out in the report.

## **3. BACKGROUND**

- 3.1 The HRA relates to the activities of the Council as landlord of its dwelling stock, and the items to be credited to the HRA are prescribed by statute. Income is primarily derived from tenants' rents and service charges, and expenditure includes repairs and maintenance and the provision of services to manage the Council's housing stock.

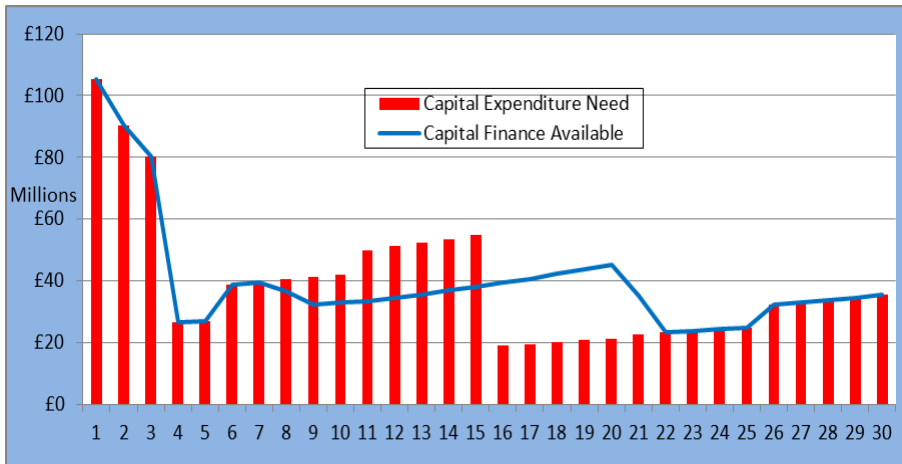
- 3.2 Since 1990 the HRA has been “ring-fenced”; this was introduced as part IV of the Local Government & Housing Act 1989 and was designed to ensure that rents paid by local authority tenants reflect the associated cost of services. This means that the HRA cannot subsidise nor be subsidised by Council Tax i.e. any deficits or surpluses that arise cannot be met from or transferred to the General Fund. In addition, the HRA must remain in balance.
- 3.3 In April 2012, HRA Self-Financing was introduced to replace the national HRA subsidy system. Under Self-Financing, local authorities retain all income but are responsible for all expenditure relating to their housing stock; with local authorities able to make decisions about their stock and engage in long-term planning. Recent policies introduced or announced by the government have substantially reduced the discretion that local authorities are able to exercise, for example in relation to rent setting, tenancy types and asset management.
- 3.4 At its meeting on 10<sup>th</sup> January 2017, the Mayor in Cabinet considered the ‘Housing Revenue Account and Rent Setting report’ which noted that a 1% rent reduction will apply for four years, starting in April 2016, and agreed a 2% increase in tenant service charges. These have been incorporated into the 2017/18 HRA budget in Appendix 1.
- 3.5 This report is also seeking capital estimates for various Housing Revenue Account schemes.

#### **4. HRA 30 YEAR FINANCIAL MODEL**

- 4.1 The ‘*Housing Revenue Account: Outline Business Plan and Medium Term Financial Outlook*’ report was agreed by the Mayor in Cabinet on July 26<sup>th</sup> 2016. In that report the results of the financial modelling undertaken in May 2016 were discussed, the results of which indicated that the HRA was viable insofar as:
- the HRA would remain above the minimum £5 million balance;
  - the capital programme could be financed over the 30 years, but would require significant re-profiling of £190 million of capital spend;
  - the HRA would not breach its debt cap, although it could not reduce borrowing by repaying any debt;
  - capital finances would be extremely tight for the foreseeable future, but should improve during the second half of the 30 year period.
- 4.2 It should be noted that the modelling did not take account of any impact from the Higher Value Voids policy, or the Pay to Stay policy.
- 4.3 At the meeting on July 26<sup>th</sup> the Mayor in Cabinet agreed:
- a HRA medium-term savings target of £6 million, of which £2 million had already been assumed in 2017/18;
  - that new Council housing would be let at a mix of social rent and living rent;

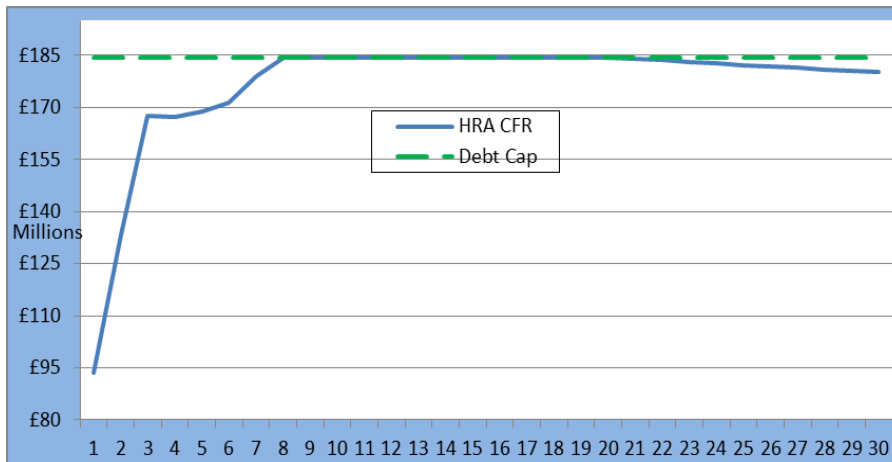
- a disposal programme of up to five HRA properties per year as an initial response to the requirement to sell vacant higher value Council stock (the Higher Value Voids policy);
- a total capital budget of £89.920 million to deliver 270 new homes on the Hereford, Locksley, Baroness, Jubilee, Tent Street and Arnold Road sites.

4.4 The July report noted that the effect of the decisions outlined at paragraph 4.3 above was to improve the overall forecast position of the HRA by reducing the shortfall on the capital programme and allowing for some debt repayment, as shown in Graphs 1 - 3 below.



Capital shortfall of £116 million in year 16 with catch up achieved in year 21.

Graph 1- Capital Expenditure v Resources Available

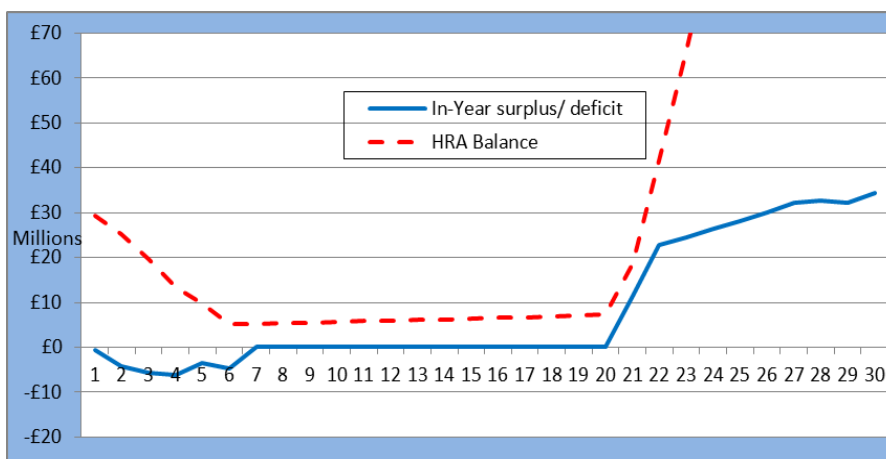


The debt cap is reached in year 8.

Minimal debt repayment possible towards the end of the 30 year period.

Graph 2 – HRA debt compared to the HRA Debt Cap

Projected HRA balance allows for the repayment of all HRA debt by year 30



Graph 3 - Forecast HRA Balance and in-year cashflow

- 4.5 The main areas of uncertainty that were discussed in the July report were the possible impact of the Higher Value Voids policy and the Pay to Stay policy. These are discussed in more detail in section 6 below.

## 5. PROJECTED OUTTURN 2016/17

- 5.1 Appendix 1 shows the agreed 2016/17 HRA budget. On December 6th 2016, the Mayor in Cabinet considered the 'Corporate Budget Monitoring Report (Quarter 2)', which reported that the HRA was forecast to underspend by £10.4 million; this is mainly due to the fact that the budget assumed that £8.4 million would be payable in 2016/17 in relation to the High Value Voids levy, but the government recently confirmed that this policy will not come into force until April 2018 at the earliest. In addition, the 2016/17 HRA budget assumes a Revenue Contribution to Capital (RCCO) of £2 million, but it is currently being assumed that other resources will be used to finance the 2016/17 HRA capital programme.

## 6. RISKS

### Sale of Higher Value vacant stock

- 6.1 Under this policy local authorities will be required to make a payment to the government based on the market value of the authority's higher value housing stock that is likely to become vacant during that year. This money is to be used to extend the Right to Buy to housing association tenants.

### Possible Impact on the HRA

- 6.2 As outlined in the July 'Housing Revenue Account: Outline Business Plan and Medium Term Financial Outlook' report and the January 'Housing Revenue Account Rent Setting report 2017/18', for budget planning purposes, it was assumed that, starting in 2016/17, a sum of £8.4 million would be payable to the government, and it was not assumed that any sales of HRA stock would take place to offset this cost.

- 6.3 As referred to in section 5 above, the HRA budget monitoring assumes that no payment will be due in 2016/17 due to delays in implementing the scheme, and in November 2016 the government confirmed that the higher value voids policy will not come into effect until April 2018 at the earliest. There is at this time no detail about the size of the levy that each local authority will pay.

### **Budget Assumptions**

- 6.4 Whilst it can be useful to model different scenarios to give an indication of what the possible impact may be, it must be stressed that until the government provides local authorities with details of the size of the levy that they will face, any projections are based on speculation only.
- 6.5 As a result of the government's announcement that no levy will be payable until April 2018 at the earliest, the HRA medium-term financial projections have been updated to move the introduction of a levy of £8.4 million to 2018/19, continuing for a period of five years. The medium-term financial projections still assume that no asset sales will take place in response to the levy other than the five disposals per year (see paragraph 6.9). These assumptions will need to be re-visited once the details are published.
- 6.6 Whilst it has been assumed in the budget that the payment to be made is revenue, it is probably more likely to be capital as it is a levy based on the receipts arising from (assumed) asset sales, although this is also not yet clear.
- 6.7 The Housing and Planning Act allows London boroughs to reduce the levy paid to the government if they build two new affordable homes for each high-value one deemed to be sold. There is no further detail about how this would operate in practice, but if such an agreement were set out in a similar way to the Right to Buy Agreement, then it could prove very restrictive in terms of the deadlines imposed, and the restrictions relating to funding the new-build. If so, with current build cost assumptions, it is difficult to see how the Authority could commit to replacing sold stock on a two for one basis unless it were able to retain all the capital receipts from property sales, and possibly not even in that case if the receipt from each sale were less than £600,000.

### **Response to the levy: Disposal of HRA stock**

- 6.8 The size of the annual levy is not yet known, but it is prudent to assume that, given the other pressures facing it, the HRA will be unable to sustain a substantial annual levy payment unless a programme of stock disposals is carried out, and/ or alternative income is identified.
- 6.9 Section 76 of the Housing and Planning Act 2016 imposes a duty on a local housing authority to consider selling its interest in any higher value housing that has become vacant. Information from the last three years shows that each year in the region of 500 - 600 HRA tenanted properties become void for a variety of reasons, therefore, the Authority will need a policy on how it wants to treat the sale of vacant properties. At its meeting on July 26<sup>th</sup> 2016 the Mayor in Cabinet agreed a disposal programme of up to five HRA properties per year as an initial response to the requirement to sell vacant higher value Council stock.



- 6.10 Certain HRA properties are expensive to maintain and may also require significant ongoing investment, therefore voids falling into this category could be targeted for disposal. Implementing a policy of targeted disposals could partially or completely offset the cost of the annual levy and potentially provide additional resources to the HRA.

### **Pay to Stay**

- 6.11 The Housing and Planning Act 2016 introduced a compulsory 'Pay to Stay' scheme in England whereby registered providers of social housing would have to charge a high income tenant a higher level of rent; in London, households with incomes of over £40,000 would have been affected.

### **Voluntary Scheme**

- 6.12 On November 21<sup>st</sup> 2016 the Housing Minister announced that the scheme will no longer be compulsory for local authorities. It is not yet clear whether, if a local authority chooses to implement the scheme on a voluntary basis, it will be able to retain the additional rental income collected, or whether the government's intention remains that additional income must be paid to the government.
- 6.13 The HRA medium-term financial projections at Appendix 2 do not include any assumed financial impact on to the HRA of this policy.

## **7. NEW HOUSING POLICY - HOUSING WHITE PAPER**

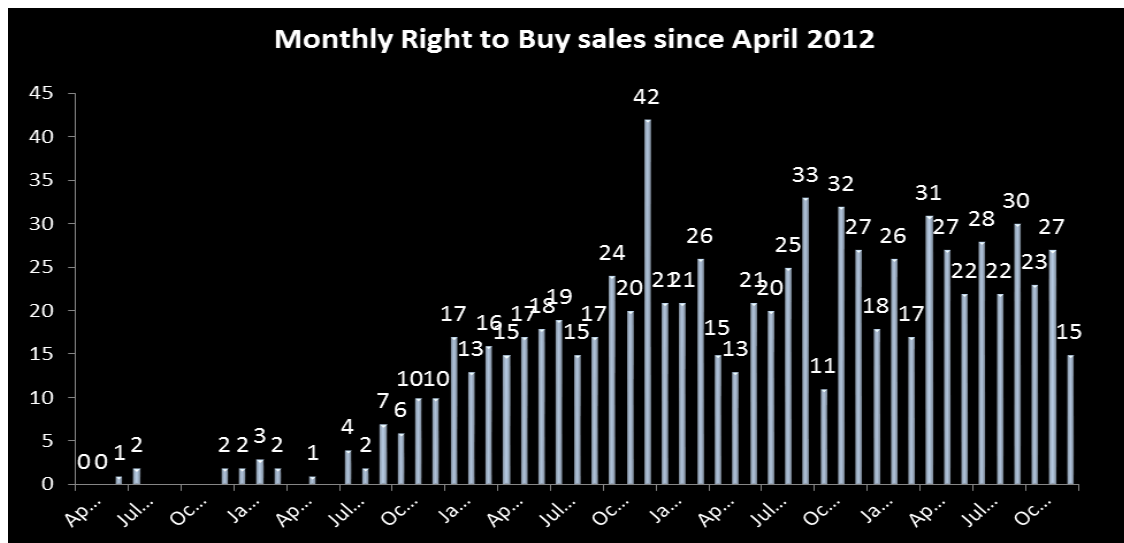
- 7.1 The government has confirmed that the Housing White Paper, which will set out what the government is going to do to boost and improve the UK housing supply, will be published shortly. The paper will lay out the government's plans to tackle the housing crisis and give details on one million new homes that will be built by 2020. It is understood that details of billions of pounds of funding will be set out in a range of 'radical plans' to boost the nation's housing supply.
- 7.2 In the autumn statement the Chancellor said that the White Paper will look at key issues including the new £2.3 billion fund to produce infrastructure for up to 100,000 new homes in areas of high demand. Further housing measures announced include funding an expanded regional pilot of the Right to Buy for housing association tenants and the launch of a consultation on banning letting agents from charging fees to tenants.

## **8. RIGHT TO BUY**

- 8.1 Changes to Right to Buy legislation have led to a current maximum discount of £103,900. The discount increases annually in line with the September Consumer Price Index (CPI).

## Right to Buy Applications and Sales to Date

8.2 Between April 2012 and the end of December 2016 there were 836 RTB sales.



Graph 4– 836 Right to Buy sales have taken place since April 2012

## Future Right to Buy Sales

- 8.3 The 2016/17 budget assumed 200 sales in 2016/17, however if sales continue at the current pace for the remainder of the year, there could be over 300 sales in 2016/17.
- 8.4 The Housing and Planning Act 2016 will phase out lifetime tenancies in social housing, with new secure tenancies only being granted for a period of between two and five years. The change will not apply to existing tenants, but where a current tenancy passes to a family member, the tenancy will convert to a fixed term.
- 8.5 It is possible that this change will also lead to an increase in Right to Buy sales in future years if tenants submit Right to Buy applications to avoid the possibility of having to move out if their fixed term tenancy is not renewed. This would be an additional pressure on the HRA.
- 8.6 The Department for Communities, Localities and Local Government (DCLG) carried out a Right to Buy marketing campaign in October 2016, with direct marketing within a number of postcodes in Tower Hamlets. It is not yet clear if this will lead to an increase in the number of people submitting Right to Buy applications.

## Right to Buy Receipts

8.7 The Authority has an agreement with the government to allow it to retain a proportion of Right to Buy receipts to be spent on replacement social housing, with the following conditions:

- i. Retained 'one for one' receipts cannot fund more than 30% of total spend
- ii. Receipts cannot be used in conjunction with funding from the GLA/HCA
- iii. Receipts must be spent within three years or be returned with interest
- iv. Receipts cannot be given to a body in which the local authority has a controlling interest

8.8 Alternatively, the authority may use the receipts to grant fund another body, such as a Registered Provider (RP).

8.9 As at the end of Q2 of 2016/17, the Authority has £69.2 million of 'one for one' retained receipts, the breakdown of which is shown in Table 1 below:

RTB Sales	Quarter Received	Spend Deadline	Retained 'one for one' Receipts (30%) £'000	Spend needed on social housing £'000	Council resources needed (70%) £'000	Cumulative spend needed on social housing £'000
<b>CURRENT 'ONE FOR ONE' RECEIPTS HELD</b>						
771			69,183	230,610	161,427	230,610
<b>PLUS PROJECTED SALES FOR THE REST OF 2016/17</b>						
80	2016/17 - Q3	31/12/19	10,000	33,333	23,333	
80	Q4	31/03/20	10,000	33,333	23,333	
			<b>89,183</b>	<b>297,277</b>	<b>208,094</b>	
<b>PLUS PROJECTED SALES FOR 2017/18</b>						
80	2017/18 – Q1	30/06/20	10,000	33,333	23,333	330,610
80	Q2	30/09/20	10,000	33,333	23,333	363,943
80	Q3	31/12/20	10,000	33,333	23,333	397,277
80	Q4	31/03/21	10,000	33,333	23,333	430,610
<b>PLUS PROJECTED SALES FOR 2018/19</b>						
80	2018/19 – Q1	30/06/21	10,000	33,333	23,333	463,943
80	Q2	30/09/21	10,000	33,333	23,333	497,277
80	Q3	31/12/21	10,000	33,333	23,333	530,610
80	Q4	31/03/22	10,000	33,333	23,333	563,943
			<b>169,183</b>	<b>563,943</b>	<b>394,760</b>	

Table 1 – Current retained 'One for One' RTB Receipts and projections for 2017/18 and 2018/19

8.10 Right to Buy 'one for one' receipts retained over the past few quarters have been at a higher level than was previously the case. For example, during Q2 of 2015/16 there were 78 sales leading to £6.6 million of 'one for one' receipts being retained by the Authority; a year later in Q2 of 2016/17 an almost identical number of sales occurred (80), but the amount of 'one for one' receipts retained was much higher at £10.5 million. This is because property valuations are increasing, and as the other deductions that are made from the capital receipt

are more or less consistent each quarter, the higher sales receipts lead to higher levels of retained 'one for one' receipts.

### **Use of Right to Buy Receipts**

- 8.11 As outlined in the July 2016 *'Housing Revenue Account: Outline Business Plan and Medium Term Financial Outlook'* report, the most recent HRA 30 year financial modelling assumed that the £49.7 million of 'one for one' receipts retained as at the end of 2015/16 will be spent within the HRA. In addition to this, it has been assumed that £1.5 million from Q1 and Q2 of 2016/17 will be spent within the HRA (see paragraph 8.14). Of this total of £51.2 million, it has been agreed that up to £4.9 million will be granted to Registered Providers to spend, and £4.5 million will be used to finance the Poplar Baths and Dame Colet leaseback schemes. Therefore, just under £42 million of these 'one for one' receipts remains, requiring a 70% HRA contribution of £97.5 million. The borrowing headroom available in the HRA is currently £98 million; therefore virtually all of the HRA's borrowing headroom will be needed to spend this level of 'one for one' receipts (in reality, borrowing would almost certainly be the last resort once all other resources have been utilised).
- 8.12 In the first two quarters of 2016/17, an additional £19.5 million of 'one for one' receipts has been retained by the Authority. On January 10<sup>th</sup> 2017 the Mayor in Cabinet agreed the "*'One for One' Right to Buy Receipts Usage - Purchase of Additional Homes Out of Borough*" report to adopt a capital estimate of £30 million for the purchase of up to 100 properties out of borough, to be financed by £9 million of retained 'one for one' Right to Buy Receipts (30%), and £21 million from other Council resources to finance the residual 70% of the capital costs.
- 8.13 A report elsewhere on this Cabinet agenda proposes establishing a Wholly Owned Company (WOC) with a commercial purpose to provide homes for rent and sale, and a charitable Community Benefit Society (CBS) to provide homes for sub-market rent. The report proposes that the Council grants the latter 'one for one' receipts of up to £9 million, and that the Council prudentially borrows up to £21 million to onward lend to the CBS.
- 8.14 If agreed, £18 million of 'one for one' receipts will therefore have been earmarked for use to provide temporary accommodation (paragraph 8.12) and homes for sub-market rent (para 8.13). Apart from £1.5 million, the majority of the Q1 and Q2 2016/17 'one for one' receipts will therefore have been allocated for use outside the HRA, which means that the HRA will not have to finance the 70% contribution required (£42 million). It is currently assumed that this residual balance of £1.5 million of 'one for one' receipts (Q1 & Q2 of 2016/17) will be spent within the HRA, in addition to the £49.7 million retained as at the end of Q4 of 2015/16. Therefore the total amount of 'one for one' receipts currently assumed to be spent within the HRA is £51.2 million.
- 8.15 Although records show that, over the course of the last few months, the number of Right to Buy applications has been reducing compared to previous months, it is too soon to know if this is an ongoing trend, or a temporary slowdown. Even if the reduction continues, there are still hundreds of applications currently progressing through the system, and, as outlined in paragraph 8.10, even if the

level of sales drops, it is likely that the amount of receipts retained will remain high due to the higher property valuations.

- 8.16 If the current level of Right to Buy sales continues then there could be an additional £20 million of 'one for one' receipts by the end of 2016/17, with another £40 million retained in 2017/18 and a further £40 million in 2018/19 (see Table 1).

### **HRA Resources**

- 8.17 As discussed in section 11 of this report, the HRA medium term financial projections have improved since last February's HRA outlook, due to the factors detailed in paragraph 11.3. Arguably therefore, there is now an increased level of resources within the HRA over the next few years, which could be used towards the 70% funding required to spend a greater level of 'one for one' receipts than the £51.2 million that is currently being assumed.
- 8.18 However, as mentioned in paragraph 8.11, much (if not all) of the HRA's borrowing headroom will be required to spend the £51.2 million of 'one for one' receipts that it is currently being assumed will be spent within the HRA. Current medium-term projections indicate that most of the HRA resources currently held (and projected to be held) will be needed to finance the HRA capital programme over the next five years.
- 8.19 Although the previous modelling assumption was that the minimum level of HRA reserves required is £5 million (adjusted for inflation), there remain a number of uncertainties facing the HRA over the next few years. For instance, at the moment nothing is known about what rent policy the government will introduce following the four years of 1% rent reductions; current HRA projections assume that rents will increase by CPI + 1% from 2020/21 onwards, but this is supposition only at this point. In addition, although the higher value voids levy has been delayed until April 2018 at the earliest, the size of the annual levy that may be payable by the Authority remains unknown and could be substantially higher than the £8.4 million currently assumed. Therefore current forecasts assume that the HRA revenue reserve will be kept at a minimum balance of £15 million over the medium term financial planning period.
- 8.20 Once all HRA resources have been depleted, there are three ongoing sources of income available to the HRA that can be used to finance the capital programme; these are summarised below:
- Major Repairs allowance (equivalent to the annual HRA depreciation charge) – this is an annual amount of approximately £15 million and can only be used to finance capital expenditure on existing housing stock;
  - Major Works cash – this is the amount of income collected from leaseholders in relation to major works carried out on their blocks to which they are required to contribute. This is not a predictable income source as it depends on the level of cash actually received each year. Over the past three years Major Works cash received has averaged about £3 million a year; this should increase over the next few years as the final bills relating to the Decent Homes works programme are raised.

- Revenue surpluses – if revenue income exceeds expenditure within a financial year then the surplus will either be transferred to the HRA reserve or used to finance that year’s capital expenditure as a Revenue Contribution to Capital Outlay (RCCO).

8.21 Tower Hamlets Homes has produced its five year indicative capital programme, showing the forecast required expenditure on the Council’s existing stock (attached at Appendix 4). The level of spend required over the next five years is in the region of £30 million per annum. It is possible that, if this is indicative of the annual level of capital expenditure required on the Authority’s current stock, there will be insufficient resources within the HRA to support this once the only remaining HRA resources are the income streams outlined at 8.20 above. Therefore in future, the spend on the current stock will need to correspond to the resources available in any one year, and it may therefore be necessary to reassess the standards adopted in relation to the Authority’s stock.

8.22 Table 2 below shows the impact on the HRA after five years if a commitment were made to spend within the HRA more than the £51.2 million of ‘one for one’ receipts than is currently assumed (see paragraph 8.14). This is based on current forecasts of capital spend over the five year period, which includes the expenditure that is forecast to be required on the Authority’s existing housing stock.

Use of ‘one for one’ receipts in the HRA		70% HRA contribution needed	HRA borrowing headroom left after 5 years	Unfunded capital works over 5 years
£49.7 m	retained as at end of 2015/16	£115.7m	£10.9m	-
£ 1.5 m	residual sum from Q1 & Q2 of 2016/17 (see para 8.14)	£3.5m	£14.5m	-
£10.0 m	assumed ‘one for one’ receipts generated in Q3 2016/17	£23.3m	-	£8.8m
£10.0 m	assumed ‘one for one’ receipts generated in Q4 2016/17	£23.3m	-	£32.2m
£10.0 m	assumed ‘one for one’ receipts generated in Q1 2017/18	£23.3m	-	£55.5m
£10.0 m	assumed ‘one for one’ receipts generated in Q2 2017/18	£23.3m	-	£78.8m
£10.0 m	assumed ‘one for one’ receipts generated in Q3 2017/18	£23.3m	-	£102.2m
£10.0 m	assumed ‘one for one’ receipts generated in Q4 2017/18	£23.3m	-	£125.5m

Table 2 – Impact on the HRA after spending varying amounts of ‘one for one’ receipts

8.23 It can be seen that, on current assumptions, committing to spend more than the currently assumed ‘one for one’ receipts of £51.2 million within the HRA would reduce the HRA’s resources to the levels indicated in Table 2, and risk a position where the capital works needed on the Authority’s existing housing stock may not be able to be fully funded over the MTFP period. As outlined in paragraph 8.20, once current HRA resources have been used, there is only a limited source of

income available to the HRA on an ongoing basis, unless a decision is made by the Council to use non-specific resources – for example capital receipts or New Homes Bonus – to increase the resources available to the HRA. A report on the Capital Strategy is elsewhere on this agenda.

8.24 It is anticipated that the primary source for the 70% funding that the Authority must contribute will be HRA borrowing, however, once the Authority's HRA borrowing headroom has been depleted, the Authority will have very limited resources available to fund its 70% contribution for replacement social housing. In that case the Authority will need to consider one or more of the following options:

- a) alternative delivery models that could use the receipts
- b) to pass the 'one for one' receipts to a third party
- c) to return the 'one for one' receipts immediately (to avoid interest charges);

## **9. WELFARE REFORM**

9.1 The main changes that will affect LBTH tenants are:

- 1) Benefit Cap
- 2) Universal Credit and Direct Payments

9.2 The cumulative impact on the HRA will not be clear until the various reforms all take effect. Provision was made in the 2016/17 budget for an anticipated increase in the amount of bad debts, but due to the delay in implementing the changes this has not been necessary over the past few years. The budget now includes a provision for bad debts of £600,000 in 2017/18, rising to £1 million in 2019/20. This level of provision will be kept under review.

## **10. DRAFT BUDGET 2017/18**

### **Inflation**

10.1 September 2016's inflation indices were as follows; the Retail Price Index (RPI) was 2.0% and the Consumer Price Index (CPI) was 1%.

### **2017/18 Rent decrease**

10.2 At its meeting in January 2017, the Mayor in Cabinet noted that there will be a 1% rent reduction for four years, which began in 2016/17. This has been incorporated into the 2017/18 budgets at Appendices 1 and 2.

### **Tenant Service Charges**

10.3 At its meeting in January 2017, the Mayor in Cabinet agreed an average 2017/18 increase in tenant service charges from April 2017 of £0.24 per week. This is reflected in the 2017/18 budget at Appendices 1 and 2.

## 2017/18 Inflation – Salaries & National Insurance

- 10.4 The Council remains part of the National Joint Council for Local Government Services for negotiating pay award arrangements, and it is anticipated that the 2017/18 pay award will be 1%. The calculation of the 2017/18 management fee in Table 4 includes a sum of £0.300 million of growth to reflect the effect of a 1% increase in salary costs, as well as National Insurance and pension increases.

## 2017/18 Budget Reduction – energy

- 10.5 The energy budget has been reduced by £0.250 million to reflect anticipated costs and demand.

## Savings

- 10.6 At its meeting on July 26<sup>th</sup> 2016, the Mayor in Cabinet agreed a HRA medium-term savings target of £6 million, of which £2 million was assumed in 2017/18. The 2017/18 budget proposes gross savings of £3.007 million, £2.757 million of which are within the management fee (see Table 4 below), and £250,000 is a reduction in the energy budget (see 10.5 above). As well as these savings there is also an element of growth requested within the 2017/18 management fee, meaning that the overall net 2017/18 HRA savings are £1.7 million.

## Management Fee

- 10.7 In February 2016, The Mayor in Cabinet approved the 2016/17 Management Fee payable to THH for services provided to the Council. At £33.376 million, the Management Fee represented the largest single expenditure element of the HRA budget.
- 10.8 Table 4 below shows the calculation of the 2017/18 Management Fee payable to THH. The 2017/18 management fee is £1.430 million lower than in 2016/17. And reflects gross savings of £2.757 million, and an allowance for growth items.

Description	Total Fee £'000
2016/17 Management Fee	33,376
Transformational savings	(641)
Savings on general running costs	(450)
Other savings	(1,666)
Growth	1,327
<b>2017/18 Management Fee</b>	<b>31,946</b>

Table 4 – Calculation of the 2017/18 Management Fee



## One-off Growth Items

- 10.9 The 2017/18 management fee incorporates a number of one-off growth items which will be funded from THH reserves, and are therefore not shown in Table 4 above. £250,000 has been allocated for IT improvements, which it is anticipated will lead to operational efficiencies and contribute towards THH's transformation agenda. In addition, it is anticipated that up to £500,000 of costs may be incurred when THH vacates Jack Dash House and moves to a new building, and a sum of £280,000 is anticipated to be required in order to set up a new procurement framework. Therefore, up to £1.030 million of one-off growth may be financed from the THH company reserve, which would leave a balance of over £3.6 million.

## Anti-Social Behaviour (ASB) Initiatives

- 10.10 The HRA budget MTFP at Appendix 2 includes provision for £2.458 million to be spent over the next three years in order to fund initiatives to reduce ASB on Council estates. Table 5 below shows the level of funding that has been assumed.

	2017/18	2018/19	2019/20
HRA funding set aside for ASB Initiatives	£886,000	£836,000	£736,000

Table 5 – Summary of ASB provision over the next three years

## 11. MEDIUM TERM FINANCIAL PLAN

- 11.1 Appendix 2 shows the HRA Medium Term Financial Plan (MTFP) for the five year period 2017/18 to 2021/22.

### Overall position on the HRA

- 11.2 The MTFP incorporates various income and expenditure assumptions and includes changes that will affect the budget, including changes to stock numbers due to assumed Right to Buy sales and the impact of agreed regeneration schemes, as well as estimates of the effect of the higher value voids policy.
- 11.3 The latest HRA MTFP is shown at Appendix 2. The revised MTFP shows that, on current projections, the HRA reserve will reduce over the next few years, but will remain above the assumed minimum balance of £15 million (see paragraph 8.19). This is an improved position compared to the MTFP position that was forecast in last February's HRA budget report, primarily due to the following changes:
- last February's MTFP assumed that a higher value voids levy of £8.4 million would begin in 2016/17, however the government has recently confirmed that the levy will not commence until April 2018 at the earliest (i.e. two year later than previously assumed);

- last February's MTFP assumed that there would be a financial cost to the HRA of the Pay to Stay policy, however, the government has now confirmed that this policy will not be compulsory, and no financial impact to the Authority is now assumed in the MTFP;
- last February's MTFP reflected HRA savings of £2 million over the MTFP period whereas the current MTFP reflects assumed savings of £3.321 million;
- last February's MTFP assumed that the HRA would spend future Right to Buy 'one for one' receipts that accumulated during 2016/17 and 2017/18, leading to the HRA having to finance the 70% remaining contribution; the current MTFP assumes that only £51.2 million of 'one for one' receipts will be spent within the HRA;
- last February's MTFP reflected a lower opening balance in the HRA reserve compared to the current MTFP assumptions which incorporate a £20 million higher HRA balance.

11.4 The level of bad debt provision has been reduced to £600,000 in 2016/17 as the implementation dates for Universal Credit and direct payments have slipped, but the provision is forecast to rise to £1 million in 2019/20. As the various reforms take effect, this assumption will be reviewed.

11.5 As highlighted in section 8, there is a high level of Right to Buy sales forecast over the next few years, and this has been maintained as a possible response to both the Pay to Stay policy and the proposal to end lifetime tenancies. The accumulation of further 'one for one' receipts will put significant pressure on the Authority if it undertakes to spend the receipts itself.

### **Capital Programme and Stock Needs**

11.6 As referred to in section 4, the most recent HRA 30 year financial modelling indicates that, on present assumptions, the level of capital works projected to be needed on the housing stock over the next 30 years is affordable over the period, although substantial re-profiling of the expenditure is likely to be needed.

11.7 A stock condition survey has recently taken place and will be used to provide an updated view of the needs of the Authority's stock over the next 30 years. Given the emerging financial pressures within the HRA, the Authority will need to re-visit its asset management strategy and it may be necessary to reconsider the Tower Hamlets Standard.

11.8 The outline HRA capital programme at Appendix 3 summarises the currently agreed programme. In addition, there is an assumed level of spend in future years for the ongoing maintenance of the stock, and, as mentioned in paragraph 8.14, assumed spend on replacement social housing needed to spend the Right to Buy 'one for one' receipts of £51.2 million.

11.9 The effect of financing all the capital schemes in Appendix 3 is that most of the HRA's borrowing headroom is forecast to be needed, as well as all the current HRA capital resources currently held. On current projections the capital programme outlined in Appendix 3 is fully funded, although it is essential that before future capital estimate are formally adopted, schemes are assessed in light of their affordability within the HRA.

### **HRA Savings**

11.10 The 2017/18 budget reflects gross savings of £3.007 million, £2.757 million of which is within the management fee (see Table 4), and £250,000 of which is reflected in a reduction in the energy budget. The MTFP at Appendix 2 reflects an additional £1.6 million of savings over the rest of the MTFP period.

11.11 In terms of the options for reducing expenditure, all areas will be reviewed, including the Service Level Agreements (SLAs) where the HRA receives services from the Authority.

## **12. ADOPTION OF HOUSING REVENUE ACCOUNT CAPITAL ESTIMATES**

12.1 The Council's projected four year capital programme is included with the 'General Fund Revenue and Capital' report elsewhere on this agenda. This incorporates indicative funding of over £333 million for the Housing Revenue Account element of the capital programme over the five year period from 2017/18 to 2021/22, which is summarised in Table 6 below, and detailed in Appendix 3.

	2017/18 £m	2018/19 £m	2019/20 £m	2020/21 £m	2021/22 £m	Total £m
Indicative HRA Programme	114.800	95.762	53.071	39.358	30.327	333.318

*Table 6 – Summary HRA Capital Programme 2017/18 to 2021/22*

### **NEW HRA CAPITAL ESTIMATES TO BE ADOPTED**

#### **Better Neighbourhoods programme - £17.265 million**

12.2 Appendix 4 shows an outline of the proposed THH capital programme over the next five years. The total THH projected capital programme in 2017/18 is £43.550 million. When account is taken of the projected level of expenditure on THH capital schemes in 2016/17, and the resulting slippage of existing capital estimates into 2017/18, the amount of new capital approvals needed for 2017/18 is £17.265 million.

#### **Overcrowding Reduction Initiatives - £1 million**

12.3 The £17.265 million estimate includes a capital estimate of £1 million for the inclusion within the programme of various Overcrowding Reduction Initiatives. This will include funding for initiatives designed to release or create family sized accommodation to relieve overcrowding.

**Aids and Adaptations, Capitalisation of Voids, Capitalisation of Fees and Salaries – total £2.650 million**

- 12.4 The £17.265 million estimate also includes capital estimates for Aids and Adaptations (£500,000), the capitalisation of the major costs involved in bringing void properties back into use (£1.5 million), (this includes undertaking internal works - replacing kitchens and bathrooms - in properties where access was not gained during the Decent Homes programme), and the capitalisation of fees and salaries associated with the delivery of the capital programme (£650,000).

**Contingency - £500,000**

- 12.5 In addition, the £17.265 million estimate includes a £500,000 contingency budget. The utilisation of this contingency will be subject to the approval of the Corporate Director, Place.
- 12.6 The capital schemes listed above will have an impact on leaseholders, as they are required to contribute towards capital works which are of an external or communal nature.

**13. COMMENTS OF THE CHIEF FINANCE OFFICER**

- 13.1 This report sets out the proposed budget for the Housing Revenue Account for 2017/18 and also asks Members to approve the draft management fee payable to Tower Hamlets Homes (THH) to manage the dwelling stock on behalf of the Authority.
- 13.2 The budgets have been prepared by the Authority in conjunction with THH in accordance with the terms of the management agreement.
- 13.3 Although the impact on the Housing Revenue Account is not quantifiable until the specific legislation is adopted and detailed guidance on the proposals is published, the combined impact of the rent reduction, the possible impact of the Sale of High Value voids and Pay to Stay rent policies (detailed in section 6) will mean that significant savings have already been formulated, or are being worked on, and these will be required in order to maintain a sustainable HRA in the long term.
- 13.4 The Council is required to maintain a reasonable level of reserves in the HRA to mitigate possible financial risks, and as detailed in paragraph 8.19 it is currently assumed that the minimum level of HRA reserves will be kept at £15 million. Since the introduction of HRA Self-Financing in April 2012, and the ending of the HRA Subsidy system, the Authority retains its rent receipts and is fully responsible for the financing of all HRA expenditure, including the capital works necessary to maintain and improve the housing stock. All future capital work will be funded through a combination of, primarily, borrowing (within the constraints of HRA Business plan viability and the HRA's debt cap), contributions from reserves and leaseholder contributions.

- 13.5 The HRA Medium Term Financial Plan (MTFP) is included in Appendix 2. This analysis incorporates the estimated impact of the higher-value void levy as well as the requirement to utilise £51.2 million of retained Right to Buy receipts.
- 13.6 It is essential that, in addition to the HRA savings outlined in this report the savings process is continued in conjunction with THH, to identify and generate further efficiencies and savings within this and future years' budgets, to ensure that the Council complies with its statutory requirement to maintain a balanced Housing Revenue Account, and that the capital investment programme, and particularly the new build schemes are fully financed.
- 13.7 A key aspect of this report, and a significant risk to the Council, relates to the levels of Right to Buy receipts that the Council has retained under the 'one for one' arrangements for the provision of new housing supply. These have accumulated significantly following the Government's reinvigoration of the Right to Buy system and are detailed in section 8.
- 13.8 Due to the continuing high number of Right to Buy sales, as outlined in paragraph 8.9, the Council is now holding a total of £69.2 million of 'one for one' receipts. In accordance with the conditions imposed on their use (summarised in paragraph 8.7), receipts can only represent up to 30% of the costs of the new supply, meaning that if the Council wishes to provide the new housing itself, it will need to identify the 70% contribution needed.
- 13.9 It should be noted that the use of the receipts is time limited – in essence they must be spent within three years of the end of the quarter within which that are received (shown in Table 1) or returned to the DCLG with significant interest penalties. The Mayor in Cabinet has previously approved a range of measures to utilise retained receipts – these included potential new developments; a programme to buy back properties previously sold by the Council under Right to Buy legislation, and a Local Affordable Housing Grant Programme targeted at supporting Registered Housing Providers. In addition, a report agreed by the Mayor in Cabinet in January 2017 recommended that a sum of up to £9 million of 'one for one' receipts be set aside to purchase up to 100 out of borough properties to be used for Temporary Accommodation, and a report elsewhere on this agenda recommends that a Community Benefit Society be established and that the Authority grant up to £9 million of retained Right To Buy receipts to this body. However, RTB sales continue, with the possibility that a further £20 million of retained receipts anticipated may be generated in the six months between 1<sup>st</sup> October 2016 and 31<sup>st</sup> March 2017 alone.
- 13.10 This report also outlines the proposed HRA Housing Capital Programme for 2017/18 to 2021/22 (Appendix 3). The programme will be financed through available resources identified within the Authority's HRA 30 Year Financial Model, with a new capital estimate totalling £17.265 million being sought for works to the existing stock as detailed in paragraph 12.2.
- 13.11 In a capital programme of this size over a long period, there will inevitably be changes to the scope and timing of some schemes as they are worked up and detailed consultation takes place. It is therefore important that sufficient flexibility exists within the programme to ensure that schemes can be managed in line with

available resources, and to ensure that the Authority maximises its external year-specific financing e.g. grant funding, if any becomes available.

- 13.12 The capital programme will continue to be managed robustly in line with resources available, with commitments only being entered into if they remain affordable within the HRA 30 Year Financial Model.
- 13.13 It should be noted that a significant element of the costs of the capital programme will be chargeable to leaseholders, and although the Authority will be required to finance the works initially, it is vital that all costs are appropriately recharged in accordance with the terms of the lease.

#### **14. LEGAL COMMENTS**

- 14.1 The report proposes that the Mayor approves the HRA budget for 2017/18. The Council is subject to an obligation under Part VI of the Local Government and Housing Act 1989 to maintain a housing revenue account (HRA). The Council is required to prepare proposals in January and February each year relating to the income of the authority from rents and other charges, expenditure in respect of repair, maintenance, supervision and management of HRA property and other prescribed matters. The proposals should be based on the best assumptions and estimates available and should be designed to secure that the housing revenue account for the coming year does not show a debit balance. The report sets out information relevant to these considerations.
- 14.2 The Mayor is asked to agree the management fee for Tower Hamlets Homes Ltd (“THH”). Schedule 6 of the management agreement with THH provides the method for calculation of the management fee. The report proposes that the management fee reflect specified savings and it is understood that the proposed management fee is put forward as an amount that it would be reasonable for the Council to pay for the services provided by THH.
- 14.3 The Council is required as a best value authority under section 3 of the Local Government Act 1999 to “make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness”. Before agreeing the budget and management fee Cabinet should consider the information provided in the report, particularly the finance comments, with a view to whether they proposals relevantly reflect value for money.
- 14.4 Before agreeing any of the report’s recommendations, the Council must have due regard to the need to eliminate unlawful conduct under the Equality Act 2010, the need to advance equality of opportunity and the need to foster good relations between persons who share a protected characteristic and those who don’t (the public sector equality duty). Information relevant to these considerations is contained in section 15 of the report.
- 14.5 The report seeks approval for capital estimates in relation to a variety of schemes. In compliance with section 151 of the Local Government Act 1972, the Council has in place Financial Regulations and Financial Procedures. The

Financial Regulations set a threshold of £250,000, above for which Cabinet approval is required for a capital estimate. The Financial Procedures supplement this requirement.

- 14.6 The various capital schemes must be capable of being carried out within the Council's statutory powers. To the extent that the details of the schemes appear from the body of the report, it does appear that the proposed works meet this requirement. In particular, the Council is empowered by section 9 of the Housing Act 1985 both to build homes to meet housing need in the borough but also to alter, enlarge, repair or improve its housing stock.
- 14.7 It will be for officers to ensure that individual commitments are carried out in accordance with legal requirements. The terms of specific grant funding must be complied with, as must the terms of any section 106 agreement under which funding is to be made available. Any procurement associated with works or projects must be carried out in accordance with the Council's procurement procedures and the requirements of the Public Contract Regulations 2015. If the costs of works are to be recharged to leaseholders then this must comply with the statutory consultation requirements.

## **15. ONE TOWER HAMLETS CONSIDERATIONS**

- 15.1 The Council is required to agree a balanced HRA, which means striking a balance between maximising resources available to the Council for social housing purposes and avoiding undue additional hardship to vulnerable tenants. In conjunction with Officers from THH, an Equalities Impact Assessment (EQIA) was undertaken in relation to the rent increase; the analysis was provided to the Mayor in Cabinet in January 2017. The analysis of THH tenants provided a detailed understanding of the most vulnerable tenants, and the action plan set out in the EQIA identified a number of mitigating actions which, once implemented, will ensure that the most vulnerable tenants are supported. Actions include enhancing the provision of advice and guidance for the most vulnerable tenants, ensuring that there is continuous analysis of the impacts on tenants, particularly the non-housing benefit claimants as well as continuous analysis and assessment of the Welfare Reforms once the proposals are fully implemented. The Action Plan will be continuously monitored to ensure that these actions are being progressed.

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

- 16.1 Savings have been incorporated into the draft budget in order to ensure that the HRA remains in balance. Projects will be undertaken in partnership with Tower Hamlets Homes to identify further ongoing efficiency savings to ensure that the HRA remains sustainable in the longer term.

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

17.1 There are no specific implications arising from the recommendations in this report.

## **18. RISK MANAGEMENT IMPLICATIONS**

18.1 Since the introduction of Self-Financing, the London Borough of Tower Hamlets is responsible for running its HRA as a viable business, using HRA income in order to fund all HRA expenditure, including the capital works necessary to maintain and improve the housing stock.

18.2 Various areas of risk and uncertainty are highlighted in section 6. Over the next few months, it will be essential to review and update the HRA MTFP to reflect economic conditions and policy changes.

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

19.1 This report includes a proposal to establish a budgetary provision of £2.458 million to be spent over a three year period to fund initiatives to reduce anti-social behaviour on the Authority's housing estates (see paragraph 10.10).

## **20. SAFEGUARDING STATEMENT**

20.1 There are no significant implications arising from these specific recommendations.

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### **Linked Reports, Appendices and Background Documents**

#### **Linked Report**

- None

#### **Appendices**

- Appendix 1 – HRA Draft Budget 2017/18
- Appendix 2 – HRA Medium Term Financial Plan projections: 2017/18-2021/22
- Appendix 3 – Indicative HRA Capital Programme: 2017/18-2021/22
- Appendix 4 – Indicative THH five year capital programme: 2017/18–2021/22

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

- None

#### **Officer contact details for documents:**

- n/a

#### **Originating Officers and Contact Details**

<b>Name</b>	<b>Title</b>	<b>Contact for information</b>
Katherine Ball	Senior Accountant (HRA)	020 7364 0997



**APPENDIX 1**  
**HOUSING REVENUE ACCOUNT**  
**DRAFT BUDGET 2017/18**

Housing Revenue Account	2016/17	2016/17	2017/18
	Budget	Projected Outturn	Draft Budget
	£'000	£'000	£'000
<b>INCOME</b>			
Dwelling Rents	(67,166)	(66,781)	(65,601)
Non-dwelling Rents	(3,763)	(4,228)	(4,050)
Tenant Charges for Services & Facilities	(6,415)	(6,167)	(7,105)
Leaseholder Charges for Services & Facilities	(13,240)	(13,440)	(13,625)
Contributions towards expenditure	(115)	(115)	(115)
<b>GROSS INCOME</b>	<b>(90,699)</b>	<b>(90,731)</b>	<b>(90,496)</b>
<b>EXPENDITURE</b>			
Repair & Maintenance	22,540	22,485	22,163
Supervision & Management	23,285	23,162	23,339
Special Services	12,262	12,185	11,711
Rents, Rates, Taxes and other charges	3,167	3,042	3,187
Provision for Bad Debts	600	600	600
Interest Payable - Item 8	4,275	4,275	3,500
Depreciation - HRA Dwellings	13,408	13,408	13,366
Depreciation - Non Dwellings	1,552	1,552	1,552
Debt Management Costs	83	83	78
Sale of High Value voids levy	8,400	-	-
Pay to Stay levy	-	-	-
<b>GROSS EXPENDITURE</b>	<b>89,572</b>	<b>80,792</b>	<b>79,496</b>
<b>NET COST OF HRA SERVICES</b>	<b>(1,127)</b>	<b>(9,939)</b>	<b>(11,000)</b>
Amortisation of Premiums & Discounts	-	-	-
Interest & Investment Income	(222)	(502)	(610)
<b>(SURPLUS)/ DEFICIT ON HRA</b>	<b>(1,349)</b>	<b>(10,441)</b>	<b>(11,610)</b>
<b>Appropriations</b>			
Revenue Contribution to Capital Expenditure	2,000	-	23,624
<b>NET POSITION</b>	<b>651</b>	<b>(10,441)</b>	<b>12,014</b>
<b>Balances</b>			
Opening balance	(23,844)	(32,619)	(43,060)
Net (Surplus)/ Deficit on HRA	651	(10,441)	12,014
<b>Closing balance</b>	<b>(23,193)</b>	<b>(43,060)</b>	<b>(31,046)</b>

## MEDIUM TERM FINANCIAL PLAN 2017/18 – 2021/22

## INDICATIVE HRA BUDGETS

Housing Revenue Account	2017/18	2018/19	2019/20	2020/21	2021/22
	Draft Budget £'000	Draft Budget £'000	Draft Budget £'000	Draft Budget £'000	Draft Budget £'000
<b>INCOME</b>					
Dwelling & non dwelling rents	(69,651)	(70,504)	(70,623)	(72,025)	(73,503)
Tenant & Leaseholder service charges	(20,730)	(21,228)	(21,843)	(22,410)	(22,858)
General Fund contributions	(115)	(115)	(115)	(115)	(115)
<b>GROSS INCOME</b>	<b>(90,496)</b>	<b>(91,847)</b>	<b>(92,581)</b>	<b>(94,550)</b>	<b>(96,476)</b>
<b>EXPENDITURE</b>					
Repairs & Maintenance	22,163	22,307	22,717	23,159	23,507
Supervision & Management	23,339	24,905	25,180	24,729	26,117
Special Services, Rents rates & taxes	14,898	14,824	14,991	15,214	15,397
Increased/(Decrease) provision for bad debts	600	700	1,000	1,000	1,000
Capital Financing charges	18,496	19,486	21,102	22,184	22,899
Sale of High Value Voids levy	-	8,400	8,820	9,261	9,724
Pay to Stay levy	-	-	-	-	-
<b>GROSS EXPENDITURE</b>	<b>79,496</b>	<b>90,622</b>	<b>93,810</b>	<b>95,547</b>	<b>98,644</b>
<b>NET COST OF HRA SERVICES</b>	<b>(11,000)</b>	<b>(1,225)</b>	<b>1,229</b>	<b>997</b>	<b>2,168</b>
Investment Income received	(610)	(418)	(346)	(322)	(306)
<b>Appropriations</b>					
Revenue Contribution to Capital Outlay (RCCO)	23,624	14,267	-	-	-
<b>NET POSITION</b>	<b>12,014</b>	<b>12,624</b>	<b>883</b>	<b>675</b>	<b>1,862</b>
<b>Balances</b>					
Opening balance	(43,060)	(31,046)	(18,422)	(17,539)	(16,864)
(Surplus/ Deficit on HRA	12,014	12,624	883	675	1,862
<b>Closing balance</b>	<b>(31,046)</b>	<b>(18,422)</b>	<b>(17,539)</b>	<b>(16,864)</b>	<b>(15,002)</b>

## INDICATIVE HRA CAPITAL PROGRAMME 2017/18 – 2021/22

	2017-18	2018-19	2019-20	2020-21	2021-22	Total
	£m	£m	£m	£m	£m	£m
<b><u>Agreed Schemes - Anticipated Expenditure</u></b>						
Housing Capital Programme	26.285					<b>26.285</b>
ECO scheme	0.043	0.550				<b>0.593</b>
Extensions scheme	1.173					<b>1.173</b>
Ashington East		13.376				<b>13.376</b>
Watts Grove	0.630					<b>0.630</b>
Jubilee/ Baroness/ Locksley/ Hereford/ Tent St/ Arnold Rd new build schemes	37.099	37.881	12.436			<b>87.416</b>
Leasehold buybacks	19.880					<b>19.880</b>
RP grant scheme	3.425	2.140				<b>5.565</b>
Assumed additional spend on 'one for one' Purchase property out of borough for use as Temporary Accommodation (using Right to Buy 'one for one' receipts)	4.500	4.500	7.531	7.531		<b>15.062</b>
	<b>93.035</b>	<b>58.447</b>	<b>19.967</b>	<b>7.531</b>		<b>178.980</b>
<b><u>Capital Estimates sought in this report</u></b>						
Housing Capital Programme	17.265					<b>17.265</b>
<b><u>Capital Estimates sought elsewhere on this agenda</u></b>						
Grant money to a charitable Community Benefit Society (using Right to Buy 'one for one' receipts)	4.500	4.500				<b>9.000</b>
<b><u>Assumed capital estimates to be adopted at future Cabinet</u></b>						
Housing Capital Programme		32.815	33.104	31.827	30.327	<b>128.073</b>
<b>Indicative HRA Capital Programme</b>	<b>114.800</b>	<b>95.762</b>	<b>53.071</b>	<b>39.358</b>	<b>30.327</b>	<b>333.318</b>
<b><u>Summarised Assumed Financing</u></b>						
Major Repairs Reserve	14.968	15.016	15.099	15.097	15.107	<b>75.287</b>
Major Works cash	15.288	4.500	4.500	4.500	4.500	<b>33.288</b>
Revenue Contribution to Capital (RCCO)/ HRA reserve	20.803	13.115				<b>33.918</b>
Use of HRA Borrowing		35.127	23.782	14.102	10.720	<b>83.731</b>
Right to Buy 'one for one' receipts	29.519	22.504	5.990	2.259		<b>60.273</b>
Other capital receipts	26.722	5.500	3.700	3.400		<b>39.322</b>
New Homes Bonus	7.500					<b>7.500</b>
<b>Total Assumed Financing</b>	<b>114.800</b>	<b>95.762</b>	<b>53.071</b>	<b>39.358</b>	<b>30.327</b>	<b>333.318</b>

## INDICATIVE THH CAPITAL PROGRAMME 2017/18 – 2021/22

Budget Areas	2017/18 (000's)	2018/19 (000's)	2019/20 (000's)	2020/21 (000's)	2021/22 (000's)
Better Neighbourhoods Programme	30,700	13,177	12,966	12,899	12,608
Fire Safety	1,500	2,000	2,500	3,000	3,500
Fencing and security	230	600	600	600	600
Lifts	3,450	1,950	1,950	1,950	1,950
Door Entry	1,950	2,114	2,114	2,114	2,114
Mechanical (Boosted Water, Comm Vent, Water Tanks)	540	888	888	888	888
Communal Heating	300	5,129	5,129	3,419	1,710
Electrical	250	1,500	1,500	1,500	1,500
Electrical heat metering	250	100	100	100	100
Communal Play Areas	30	50	50	50	50
Aerials/IRS		90	90	90	90
Planned Domestic Boiler Replacement		1,467	1,467	1,467	1,467
Capitalised Voids	1,500	1,500	1,500	1,500	1,500
Emergency Domestic Boilers	200	100	100	100	100
Disabled Adaptations	500	500	500	500	500
Capitalised Salaries	650	650	650	650	650
Overcrowding Initiatives	1,000	1,000	1,000	1,000	1,000
Contingency	500				
<b>Total</b>	<b>43,550</b>	<b>32,815</b>	<b>33,104</b>	<b>31,827</b>	<b>30,327</b>

<p><b>Cabinet</b></p> <p>7 February 2017</p>	 <p><b>TOWER HAMLETS</b></p>
<p><b>Report of:</b> Aman Dalvi, Corporate Director - Place</p>	<p><b>Classification:</b> Part Exempt (Appendix 3 Exempt)</p>
<p><b>Establishing Housing Delivery Vehicles</b></p>	

<b>Lead Member</b>	<b>Councillor Rachel Blake, Cabinet Member for Strategic Development</b>
Originating Officers	Mark Baigent, Interim Divisional Director – Housing and Regeneration.
Wards affected	All
<b>Community Plan Theme</b>	<b>One Tower Hamlets</b>
Key Decision?	Yes

By virtue of section 100A of the Local Government Act 1972 and paragraphs 3 and 5 of Schedule 12A of the Local Government Act 1972 the Trowers and Hamlins Report (Appendix 3 to this report) is Exempt as it contains information relating to the financial or business affairs of the authority and information in respect of which a claim to legal professional privilege could be maintained in legal proceedings. Specifically, the Report relates to the business affairs of the Council and legal advice given in relation to such. The Report is exempt to the extent that, in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the report as it could have an adverse impact on those business affairs.

## Executive Summary

The report seeks approval to establish two housing delivery vehicles, in order to expand the range of options available to the Council to deliver new supply across tenures, both permanent and temporary homes, with the two vehicles designed to operate in tandem:

- A Wholly Owned Company (WOC) with a commercial purpose to provide homes for rent and sale, returning a dividend to the Council from long term profit-making activities; and
- A charitable Community Benefit Society (CBS) to provide homes for sub-market rent, subsidised by grant of land and retained Right To Buy receipts, made possible by governance arrangements within which the Council holds a minority position.

The report explains how these two vehicles will complement the Council’s existing housing delivery approaches, within the Housing Revenue Account (HRA) and the General Fund (GF).

Specifically, the report proposes the following actions:

- Establishing a Wholly-Owned Company Limited by Shares with a Board of Directors comprised of Council officers;
- Investing up to £6M from capital reserves as shareholder equity in the Company;
- Prudentially borrowing up to £24M and on-lending to the Company on commercial terms;
- Initially it is proposed that the company acquires up to 100 properties to be let at market and intermediate rents. Subsequently the Company will acquire land and carry out new build development activity. Acquisition and investment decisions will be made by the Board of Directors and reported to the Council as shareholder in accordance with a control framework to be set out in a shareholder agreement to be entered into between the Council and the Company;
- Establishing a minority-interest Community Benefit Society with a Board comprised of two Council nominees and three independents;
- Entering into a Deed of Covenant with the CBS in relation to ongoing governance, limiting rule changes and use of resources provided to the CBS by the Council;
- Further Cabinet decisions will be needed to grant land to the CBS to enable development activity to commence;
- Granting up to £9M of retained Right To Buy receipts and £2.5M s106 commuted sums to the CBS;
- Prudentially borrowing up to £18.5M and on-lending to the CBS; in recognition of the CBS's delivery of sub-market housing, it is proposed that the Council would not charge a full commercial rate on monies lent to it;
- Initially it is proposed that the CBS acquires up to 100 properties to be let at social and intermediate rents. Subsequently the CBS will receive land and carry out new build development activity. Acquisition and investment decisions will be made by the Board of Directors and reported to the Council as lender.

## **Recommendations**

The Mayor in Cabinet is recommended to:-

1. Agree to establish Seahorse Homes Limited, a Wholly Owned Company Limited by Shares, and Mulberry Housing Society, a Community Benefit Society, and delegate to the Corporate Director Place after consultation with the Corporate Director Resources and the Corporate Director Governance authority to take all necessary steps for this purpose including but not limited to approving the Rules of the Society and Articles of Association of the Company.
2. Agree that the officers identified in section 4 of the report be appointed as directors and members of the Wholly Owned Company (WOC) and Community Benefit Society (CBS) respectively.
3. Authorise the Corporate Director Place to recruit three independent members to the CBS, after consultation with the Mayor and Statutory Deputy Mayor and Cabinet Member for Housing Management and Performance and Cabinet Member for Strategic Development.
4. Authorise the Corporate Director Resources to agree and sign off the final business case.

5. Authorise the Corporate Director Resources to
  - a) make equity investments up to £6M in the WOC
  - b) grant up to £9M of retained Right To Buy receipts and £2.5M of s106 commuted sums to the CBS with appropriate grant conditions;
  - c) make available to the WOC a commercial loan facility up to £24M;
  - d) make available to the CBS a loan facility up to £18.5M charged below a full commercial rate;
  - e) enable both loan facilities by use of reserves and prudential borrowing within the General Fund as necessary;subject to the above being in line with the Council's Budget framework, where required, the negotiation and finalisation of the loan agreements and decision to release funding subject to satisfactory due diligence delegated to the Corporate Director Resources.
6. Authorise the Corporate Director Resources to approve the WOC and CBS's first business plan.
7. Agree to provide the WOC and CBS with a credit facility of up to £50,000 each for use as working capital and delegate to the Corporate Director Resources the negotiation and finalisation of the necessary agreements.
8. Delegate authority to the Corporate Director Place after consultation with the Mayor, Statutory Deputy Mayor and Cabinet Member for Housing Management and Performance and Cabinet Member for Strategic Development, the Corporate Director Resources and the Corporate Director Governance to approve the Shareholder Agreement, Deed of Covenant and any other necessary agreements required between the Council and the WOC and CBS respectively.
9. Authorise the Chief Executive to exercise the Council's rights as Shareholder.
10. Authorise the Corporate Director Governance to execute the agreements referred to in recommendations 5, 7 and 8 above.
11. Agree that, subject to final sign off of the business case as specified in 4 above and the Council and the WOC entering into the ancillary agreements referred to in recommendations 5, 7 and 8 above, the Company may commence trading.

## **1. REASONS FOR THE DECISIONS**

1.1 The Council is pursuing a range of housing delivery routes to achieve its strategic objectives, as recently set out in the Borough's new Housing Strategy. In summary, this report proposes a four-fold delivery approach, comprising:

- Housing Revenue Account (HRA) new build and acquisition of permanent accommodation;
- General Fund (GF) new build and acquisition of temporary accommodation;
- Wholly Owned Company (WOC) new build and acquisition of permanent homes on a commercial basis;
- Community Benefit Society (CBS) new build and acquisition of permanent homes on a charitable basis.

In this approach, the WOC and CBS vehicles would work together in tandem on key development sites. The report sets out the rationales and criteria for delivering any given opportunity that arises through one or more of the four housing delivery routes.

1.2 This combined housing delivery strategy is designed to achieve the following aims:

- Increase housing supply across tenures.
- Meet housing needs of the most disadvantaged.
- Deliver an affordable range of homes including at Social and Living Rents
- Secure a long term supply of suitable temporary accommodation, as well as reducing overall numbers in temporary accommodation.
- Make use of retained RTB receipts.
- Make use of available land and regeneration opportunities.
- Invest in assets that deliver a long run financial return to the Council.
- Make short term savings in revenue expenditure on temporary accommodation.
- Avoid unnecessary complexity whilst focusing on speed of delivery.

## **2. ALTERNATIVE OPTIONS**

2.1 There is a wide range of housing delivery players including private developers, Registered Providers (RPs) / housing associations and local authorities. Between them these players deliver a range of new homes across tenures – social rents, “affordable” rents, shared ownership, market rents and market sale.

2.2 Rather than establish new housing delivery vehicles, the Council could rely on other partners in the private developer and RP sectors to deliver new homes, providing land and financial resources (including retained RTB receipts) to secure delivery and negotiate long term access arrangements to new homes for Council nominees.

2.3 However, despite considerable efforts over the last year, the uptake of partnership offers to RPs has not materialised. Moreover, the advantage of Council-sponsored vehicles is the closer alignment with strategic purpose, the greater level of security and certainty over access arrangements, and the scope for long term revenue and capital return to the Borough, with assets and return on investment more closely protected.



- 2.4 In particular, the acquisition and development of new housing through a CBS will enable delivery of further social and intermediate rented homes making use of retained RTB receipts, without impacting on the HRA borrowing headroom.
- 2.5 In summary, the proposed WOC and CBS vehicles should be seen as complementary and enhancements rather than as alternatives or replacements for other delivery approaches such as through the HRA and GF.

### **3. FOUR-FOLD DELIVERY APPROACH**

- 3.1 In order to achieve the strategic aims set out in 1.2 above, officers propose the following four delivery routes should be pursued in parallel:
- Housing Revenue Account (HRA) new build and acquisition of permanent accommodation;
  - General Fund (GF) new build and acquisition of temporary accommodation;
  - Wholly Owned Company (WOC) new build and acquisition of permanent homes on a commercial basis;
  - Community Benefit Society (CBS) new build and acquisition of permanent homes on a charitable basis.

The following sections set out the rationales for each delivery route, the constraints, advantages and specific circumstances for implementation.

#### **3.2 Housing Revenue Account (HRA) new build and acquisition**

The Council is already pursuing this approach with a substantial HRA-funded new build programme. This approach makes use of retained RTB receipts, limited to 30% of total scheme costs. HRA land is used at nil value. The 30% retained RTB receipts must be match-funded with 70% of costs met from HRA capital expenditure, typically through borrowing. The significant challenge with this approach is the Government-imposed HRA debt cap, a ceiling on borrowing which limits the headroom within which LBTH can invest in both new build and capital repair and improvement works to existing Council homes.

Whilst continuing with the planned new build programme, officers recommend reviewing future HRA infill and estate regeneration opportunities for their potential to deliver higher numbers, more quickly through the complementary use of the other delivery routes set out below.

#### **3.3 General Fund (GF) new build and acquisition**

The Council has recently agreed to purchase and potentially to build homes specifically to provide higher quality and better value temporary accommodation for statutory homeless households. This approach can make use of retained RTB receipts (again at 30% of overall capital costs), in this case with 70% of costs funded by GF prudential borrowing. There is no requirement to hold homes within the HRA where they are owned exclusively to provide temporary accommodation. The main restriction on this activity is that this portfolio must be managed on a break-even basis within the Council's overall statutory homelessness budget. (Where property acquisitions are being undertaken for a commercial purpose, the Localism Act 2011 would require the Council to undertake the activity within a subsidiary trading vehicle.)

### **3.4 Wholly Owned Company (WOC) new build and acquisition**

A growing number of local authorities have established trading companies in recent years using the “general power of competence” under the Localism Act 2011, including many housing development and management companies. Whilst the Government has stated that it does not support councils doing so in order to provide social housing, and/or to avoid the Right To Buy and circumnavigate HRA borrowing constraints, there is tacit Ministerial support for local authority companies that provide temporary accommodation for the homeless and boost the supply of market rented housing. This is now a tried and tested approach that can deliver both savings and income to the General Fund, including via a commercial lending arrangement between the Council and its profit-making subsidiary.

At this stage, officers recommend establishing a Company Limited By Shares with open purposes in its Articles of Association, thus enabling a wide scope of activity without restricting the company to a particular sector of housing delivery. However, the initial ambition and business plan for the company is proposed to be modest and relatively low risk, focused on property acquisition in order to build an asset base from which to commence new build development activity.

Officers propose an initial equity investment of up to £6M coupled with a loan facility of up to £24M to acquire up to 100 properties, with the commercial arrangements to be delegated to the Corporate Director – Resources.

### **3.5 Community Benefit Society (CBS) new build and acquisition**

The restrictions on use of retained RTB receipts prevent the Council transferring these resources into a company in which it holds a controlling interest (i.e. more than 50% shareholding). Given the HRA borrowing cap, the only remaining route for use of RTB receipts is via an independent social housing provider, outside of direct Council control. Officers recommend establishing and sponsoring a new Community Benefit Society to take RTB receipts along with a loan facility. This would be a charitable corporate body, registered with the Financial Conduct Authority. The Council would appoint the initial Members or Trustees of the CBS and determine the rules and purposes of the organisation. The Council would retain the ability to directly appoint two Members of the CBS; the other three Members would be independent positions, appointed according to the rules of the organisation. A deed of covenant would require that the rules of the CBS could not be changed without the Council’s consent. The Council would have no other control mechanisms over decision-making by the CBS, but could impose additional controls through covenants and conditions on any land, grant or loan facilities.

Officers propose an initial grant of up to £9M of RTB receipts and £2.5M s106 commuted sums coupled with a loan facility of up to £18.5M to acquire up to 100 properties, with the commercial arrangements to be delegated to the Corporate Director – Resources. In recognition of the CBS’s delivery of sub-market housing, it is proposed that the Council would not charge a full commercial rate on monies lent to it.

### **3.6 Combined delivery approach**

In this approach, the WOC and CBS vehicles would work together in tandem on key future development sites. The Council will determine the rationales and criteria for delivering any given opportunity that arises through one or more of the four housing

delivery routes. At this initial stage, officers propose that the two vehicles undertake acquisition activity to establish an asset base and trading track record, prior to commencing new build development activity at a subsequent stage.

### **3.7 Summary evaluation of the four-fold delivery approach**

Appendix 1 sets out a detailed analysis of the four delivery routes against a range of key evaluation criteria, demonstrating the value of taking a combined four-fold approach. This Appendix also contains a diagram showing the Council's key financial flows in relation to the four delivery approaches.

## **4. RESOURCING IMPLEMENTATION PLAN**

In order to implement the recommended approach, the following actions are needed:

### **4.1 Finalise and execute legal documents:**

WOC Articles of Association  
WOC Shareholding Agreement  
CBS Rules of the Society  
CBS Deed of Covenant  
WOC & CBS loan agreements

### **4.2 Governance appointments:**

Directors of WOC – Mark Baigent, Ann Sutcliffe and Neville Murton  
LBTH Members of CBS – Mark Baigent and Ann Sutcliffe  
Recruitment of three independent Members of CBS – to be recruited by the Corporate Director of Place in consultation with the Mayor and Lead Members

### **4.3 Start-up resources**

An initial injection of working capital is needed to commence operations of the two delivery vehicles, for example, to cover legal and financial advice. Up to £50,000 is recommended to be approved as required by the Corporate Director Resources.

### **4.4 Business case**

A detailed Business case is being developed for each of the proposed Housing delivery vehicles to ensure that all relevant considerations have been taken into account and that the approaches are financially viable. It is recommended that the Corporate Director of Resources approve these business cases once she is fully satisfied that all relevant consideration have been made. The business cases are being developed in accordance with the Local Government (Best Value Authorities) (Power to Trade) (England) Order 2009.

### **4.5 Timescale**

Appendix 2 sets out the proposed implementation plan.

## 5. COMMENTS OF THE CHIEF FINANCE OFFICER

- 5.1 This report seeks approval to establish two housing delivery vehicles to deliver new housing supply - both permanent and temporary accommodation. These will take the form of a Wholly Owned Company (WOC) acting on a commercial basis to provide homes for rent and sale, and a charitable Community Benefit Society (CBS) supplying homes for sub-market rent.
- 5.2 Although the report seeks approval for the establishment of the two vehicles and their access to Council funding and borrowing, ultimately the release of financing will be subject to the Corporate Director – Resources being satisfied with the business plans for the two organisations (recommendation 6). Initial modelling has been undertaken on the options and further detailed business cases are being prepared for review. It is essential that any models that are established are not only financially viable but that they also comply with all necessary legislation. Depending on the sustainability of the business plans, it might be necessary to incorporate property sales or shared ownership schemes within the models in order to provide the required income to ensure that the organisations and their acquisition and development projects are viable.
- 5.3 It is proposed that the two organisations are established with access to funding of £30 million each, with the initial intention of each vehicle acquiring or developing 100 properties. The proposed financing of the organisations is summarised in the table below and further detail is provided in paragraphs 5.4 to 5.7.

	<b>Council Capital Investment £m</b>	<b>Prudential Borrowing £m</b>	<b>Retained 'One for One' Right to Buy Receipts £m</b>	<b>Section 106 Affordable Housing Commuted Sum £m</b>	<b>Total £m</b>
<b>Wholly Owned Company</b>	6.00	24.00	-	-	<b>30.00</b>
<b>Community Benefit Society</b>	-	18.50	9.00	2.50	<b>30.00</b>
<b>Total</b>	<b>6.00</b>	<b>42.50</b>	<b>9.00</b>	<b>2.50</b>	<b>60.00</b>

### 5.4 Council Capital Investment

- 5.4.1 It is proposed that the Wholly Owned Company will be established with the council, as sole shareholder, investing £6 million of capital resources as equity in the company. The council will utilise existing uncommitted capital resources for this purpose which have been identified and reported though the Capital Strategy and Programme approval as

part of the 2017-2020 MTFS process. Alternatively prudential borrowing can be used where a return sufficient to cover the cost of that borrowing can be demonstrated i.e. the affordability test can be satisfied. If borrowed, the revenue implications of the debt management costs (i.e. interest and principal repayments) together with the associated return on investment will need to be incorporated into the General Fund budget.

- 5.4.2 As the owner of the WOC, dividends will be payable to the council in respect of any profits being earned from its activities. This would generate investment income within the General Fund which is useable for any purpose including in support of the debt payments.
- 5.4.3 Provision for the initial investment of £6 million has been incorporated into the Council's capital programme that is being considered in a report elsewhere on this agenda prior to being referred to the Council's budget meeting on 22<sup>nd</sup> February 2017.

## **5.5 Prudential Borrowing**

- 5.5.1 It is proposed that the Authority grants loans to the Wholly Owned Company and Community Benefit Society. The resourcing of these loans will be determined as part of the capital strategy. As such, provision has been incorporated in the budget report that will be referred to Council on 22<sup>nd</sup> February 2017 after being considered at this meeting.
- 5.5.2 The terms of the loans from the Council will differ between the two organisations, however compliance with all appropriate legislation and the state aid regulations is essential. It is therefore proposed that the loan to the Wholly Owned Company is made at commercial rates, while the loan to the CBS can be at a reduced rate to reflect its provision of sub-market cost housing. All loan terms will be determined in accordance with the prevailing rates when the loans are granted.

### **Benefits to the General Fund from the Commercial Loan to the WOC**

- 5.5.3 Borrowing and then lending on to the WOC at a higher interest rate will result in a net revenue surplus being made by the council. Based on a £24 million loan, each 1% of interest charged above the borrowing rate paid by the council will equate to net revenue income of £240,000. This income will be credited to the General Fund.

### **Repayment of Loan / Minimum Revenue Provision**

- 5.5.4 The basis for the repayment of the loans granted by the council to the WOC and CBS needs to be determined, as does the level of Minimum Revenue Provision (MRP) set aside by the council to repay the total loans of £42.5 million on maturity. Any MRP payments would be a cost to the council until the WOC and CBS generated sufficient profit and liquidity to start repaying the debt.

## **5.6 Retained Right to Buy 'One for One' receipts**

- 5.6.1 The council is currently holding substantial levels of retained Right to Buy receipts which must be used for the supply of new social housing. These currently exceed £69 million. Retained receipts can only be used to fund a maximum of 30% of a scheme's capital costs with tight time constraints applying to the use of these resources (they must be spent within three years of receipt). If they are not utilised they must be paid to the Government with significant interest penalties falling on the council. It is therefore

essential that delivery mechanisms are put in place as soon as possible to ensure that these resources are not lost to the council.

- 5.6.2 Currently it is assumed that £49.6 million of the retained receipts will be used within the Housing Revenue Account. The Mayor in Cabinet on 10<sup>th</sup> January 2017 approved the “*One for One’ Right to Buy Receipts Usage - Purchase of Additional Homes Out of Borough’* report and consequently the adoption of a capital estimate of £30 million for the purchase of up to 100 properties outside the borough. This is being financed by £9 million of retained ‘one for one’ Right to Buy Receipts (30%) and £21 million of other council capital resources.
- 5.6.3 Approval of the proposals in this report will commit a further £9 million of ‘one for one’ receipts for the supply of replacement social housing.
- 5.6.4 Retained receipts cannot be used to provide replacement housing funds to a body in which the authority holds a controlling interest. This precludes the use of any of these capital resources by the WOC but, as outlined in the report, receipts can be allocated to a CBS provided that the council does not hold a controlling interest. The report proposes that the council has a 40% representation on the CBS board (two council members and three independents) but legal advice will be required to ensure that the structure meets all requirements for the use of retained receipts.
- 5.6.5 In addition, detailed accounting advice will be sought to establish that the conditions for consolidation are followed (which are different to establishing or avoiding a simple controlling interest).

## **5.7 Section 106 Affordable Housing Commuted Sum**

- 5.7.1 As at December 2016, the council held a total of £2,676,000 of Section 106 contributions that are to be used solely for the delivery of affordable housing in accordance with their respective Section 106 agreements. These contributions have been received by the council as commuted sums from developers in lieu of the provision of affordable units on their development sites. It is proposed that £2,500,000 of these funds are allocated to the CBS towards the funding of the sub-market rented housing units.
- 5.7.2 All decisions in relation to Section 106 allocations must be made in accordance with the Infrastructure Delivery Framework that was approved by the Mayor in Cabinet on 4<sup>th</sup> October 2016. The approval of the Commissioners may also be necessary in relation to any funding that is allocated to the CBS.
- 5.8 As part of the decision making process, various factors need to be considered in addition to those outlined above. These include:

- **Transfer of Land from the Authority to the WOC / CBS**

The process by which land (either held under HRA or General Fund powers) will be transferred or disposed of by the council to the WOC or CBS will need to be determined, and all legal requirements met to ensure that the council is meeting its duty to make the best use of its resources. The disposal method is fundamental to how the Capital Financing Requirement (CFR) will be calculated for both the General Fund and the Housing Revenue Account, and if necessary the appropriation of land between the HRA and General Fund might be necessary. The approval of the Commissioners to any land disposal might also be required.

- **State Aid**

Under State Aid rules, in order to avoid the distortion of competition and trade within the European Union, no advantage should result from funding that is granted by public authorities on a selective basis to any organisations. It is essential that all legislation concerning State Aid is met, in particular in respect of the interest rate that the council will charge the WOC and CBS.

- **Accounting treatment of loans to the WOC**

The basis of the council's ability to borrow to invest in the WOC is contained within two legislative powers:

S.12 of the Local Government Act 2003 (investment power); or  
S.25 of the Local Authorities (Capital Finance and Accounting) (England) Regulations 2003

Section 12 would involve a change to the investment strategy, a non-executive decision reported to Full Council. Section 25 is more straightforward, as it includes a definition of capital expenditure as 'the acquisition of share capital or loan capital in any body corporate'.

The preferred option would be to define the equity in the company as capital expenditure under section 25. This would be represented as a long term investment in the Council's balance sheet.

- **Tax Implications**

The tax position and potential liabilities of the various organisations will need to be considered. This will include Value Added Tax (VAT) and SDLT (Stamp Duty Land Tax) in the case of both organisations and the council. Corporation Tax implications must also be assessed in relation to the WOC.

- **Capital Need**

In addition to the assumptions surrounding the on-going revenue costs (see below) there will be an on-going capital investment need over the lifecycle of the project e.g. cyclical kitchen and bathroom replacements within the acquired or developed properties. Provision for this and any other expenditure requirements will need to be included within the final business plan that is considered.

5.9 In addition to the capital costs and implications outlined above, the modelling will include various initial assumptions which will need reviewing.

- **Average purchase price**

An average purchase price will be assumed for each unit, to include all associated fees and taxes.

- **Rents**

Rents have been assumed at market rates for the WOC and a mixture of social and affordable rents for the CBS. Void and bad debt allowances have been incorporated into the modelling.

- **Annual Management and Maintenance Costs**

Annual Management and Maintenance costs will be assumed for both the WOC and the CBS.

- 5.10 In terms of other council implications, 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 delivery and budgetary pressures are being faced, particularly in respect of the increasing need to utilise bed and breakfast accommodation and to procure an increasing number of properties outside Tower Hamlets. The proposals in this report in relation to the CBS will increase the supply of temporary accommodation in the longer term and will therefore reduce the need for the council to procure more expensive temporary accommodation from other third parties. General Fund savings should materialise through the avoidance of costs, either against budget or by providing mitigation against a future budgetary pressure.

## **6. LEGAL COMMENTS**

### **General**

- 6.1 Trowers and Hamlins solicitors have provided advice on aspects of the council's proposals. Cabinet is referred to their report which is set out in Appendix 3 (Exempt)
- 6.2 Cabinet is being asked to agree to establish a wholly owned company limited by shares (WOC) and a Community Benefit Society (CBS). The company's business will be the provision of the homes for market rent and sale and through compliance with planning obligations the provision of affordable homes. The Community Benefit society will provide homes at sub-market rent subsidised by grant of land and retained Right to Buy receipts.
- 6.3 Agreement is sought to provide funding to the WOC and CBS in the form of loans and grants and other support. Delegations to officers are sought to finalise the various agreements that will be required to facilitate the above.
- 6.4 Section 1 of the Localism Act 2011 provides local authorities with the power to do anything an individual may do subject to a number of limitation (this is referred to in the General Power). A local authority may exercise the General Power for its own purposes, and/or for the benefit of others. Section 95 of the Local Government Act 2003 provides an almost identical power and the council can rely on one of both of these powers to set up the WOC and the CBS
- 6.5 The operation of a business to let homes at market rent/ sell homes is a commercial purpose. Section 4(2) of the Localism Act requires that where a local authority exercises /uses the general power for a commercial purpose, it must do this through a company.



Because the CBS is not being established for a commercial purpose, Section 4(2) does not apply.

6.6 Section 2 of the Localism Act 2011 limits the exercise of the new general power where it overlaps with a power which predates it, such as Section 95 of the Local Government Act 2003. Whether the council relies on the General power and/or the Section 95 of the Local Government Act, it is prudent for it to comply with the requirements and limitations to which S.95 is subject. These are set out in Regulation 2 of The Local Government (Best Value Authorities) (Power to Trade) (England) Order 2009 (the Order) which requires a business case to be prepared and approved by the council before a company starts trading.

6.7 Regulation 2(4) of the Order defines “business case” as a comprehensive statement of:-

- The objectives of the business;
- The investment and other resources required to achieve those objectives;
- Any risks the business might face and how significant these risks are; and
- The expected financial result of the business, together with any other relevant outcomes that the business is expected to achieve.

Before approving the business case the Corporate Director Resources should satisfy themselves that the document contains the relevant information required by the Order.

## **Finance**

6.8 Section 24 of the Local Government Act 1988 provides the council with the power to provide a wide range of financial assistance to any person for purposes including the acquisition, construction or improvement of “privately let housing” i.e *housing where immediate landlord is not a local authority*. Section 25 of the Act provides that the council must obtain the consent of the Secretary of State to use their powers under S.24. The Secretary of State has set out pre-approved consents in the "General Consents 2010" paragraph C of which allows a local authority to provide financial assistance (other than the disposal of land), in connection with the purposes referred to above. Using these powers, the council may make grants and loans to the WOC and the CBS and as both are corporate bodies, the Council may under Section 24 (2)(d) acquire share or loan capital in them.

6.9 It should be noted that financial assistance under S.24 can only be made available in connection with rented accommodation and not accommodation that is to be sold, as will be the case in respect of some of the accommodation provided by the WOC. In regard to this the Council will need to rely on its general power of competence under S.1 of the Localism Act .

6.10 Section 111 of the Local Government Act 1972, provides councils with the power to do anything whether or not involving the expenditure, borrowing or lending of money or the acquisition of property rights which is incidental, conducive or calculated to facilitate the exercise of any of their functions. This would include the exercise of functions under section 1 of the Localism Act and s.95 of the 2003 Act referred to above. The Council could also rely on this power to provide the company with loans and other support such as providing staff and the use of premises. Any support provided must in respect of the WOC be state aid compliant (see below) and will be the subject of agreements between the Council and the WOC and CBS.

- 6.11 In accordance with the council's constitution, any capital funding requirements for the CBS and WOC will need to be allowed for in the council's budget strategy which needs to be approved by full council. The same applies to any prudential borrowing requirements.
- 6.12 If the Council intends to borrow to lend to the WOC and CBS regulation 25 of the Local Authorities (Capital Finance and Accounting) (England) Regulations 2003 (SI 2003/3146) treats the giving of a loan by a local authority to a third party (such as WOC and CBS) towards expenditure (eg works on a new buildings) as capital expenditure providing that if the local authority itself incurred that expenditure (it borrowed to undertake the works itself) it would treat that expenditure (under proper accounting practices) as capital expenditure. It should be noted that the Council borrowing to lend to WOC and CBS in connection with revenue funding is not permitted.
- 6.13 When exercising its powers, the council must as with any other power, have regard to its own procedural rules, the Wednesbury principles of reasonableness and its fiduciary duties. It must also ensure that its powers are used for the proper purpose.

### **Fiduciary Duties**

- 6.14 The Council's fiduciary duties could be briefly summarised as it acting as a trustee of tax and public sector income on behalf of its rate and tax payers. The Council in effect holds money but does not own it, it spends money on behalf of its business rate and council tax payers.
- 6.15 Cabinet in making the decisions concerning the formation of a WOC and a CBS and making investments and loans to these bodies (and similar activities) should give proper consideration to the risks and rewards of approving the recommendations. In practice Cabinet will want to consider whether the Council will achieve an appropriate return for its risk and that the Council has minimised the risk and potential cost to it if the WOC and CBS became insolvent and/or defaulted on its loan(s).
- 6.16 Consideration should also be given to whether the Council's involvement in this arrangement is proportionate and properly balanced against the anticipated benefit as well as the wider interests of its local business rate and tax payers. On a practical basis this means Cabinet should consider whether the monies they are requested to approve for investment/lending to WOC and CBS could be better used by the Council for the wider interests of its local tax payers. This should include considering the impact on the Council (and therefore its local tax payers) if WOC/CBS became insolvent or otherwise defaulted on loans taken from the Council.

### **Land Disposal and Financial Assistance**

- 6.17 Section 32 of the Housing Act 1985 requires the Council to obtain the Secretary of State's consent for the disposal of land held under the Council's HRA. The Secretary of State has issued the General Housing Consents 2013 (the General Housing Consents) which set out circumstances in which he preapproves/pre-consents to a local authority disposing of HRA land and property. Consent A 3.2 of the General Housing Consents permits the Council to dispose of vacant land. Cabinet should note that vacant land means

land where there are no dwellings and/or where any dwellings are no longer capable of human habitation and are due to be demolished.

General Consent A.3.1.1 allows for the disposal of land at consideration equal to market value. Only the first 5 disposals of land within a financial year will fall within the consent if land is being transferred to a body to which the council owns an interest. This will apply to both the CBS and the WOC. The council is unable to dispose of HRA land at an undervalue under the above consents but may be able to provide the WOC and CBS with financial assistance under S.24 of the Local Government Act 1988. ( see below)

- 6.18 The Council is entitled to dispose of land held by its General Fund (including buildings) to a third party provided it complies with Section 123 of the Local Government Act 1972. This requires it to obtain a consideration which is not less than the best it could reasonably obtain. If it disposes of a property at an "under-value" it does require the consent of the Secretary of State (except for limited circumstances such as short term leases).
- 6.19 If the Council was able to sell at an under-value (and remain State Aid compliant) the Council may be able to rely on Circular 06/03 (the Local Government Act 1972 – disposal of land for less than best consideration) which sets out circumstances in which the Secretary of State preapproves/ pre-consent to the disposal of General Fund land at an under-value. If this consent is to apply then the "under-value" (in relation to a disposal) must not exceed £2m and the Council's purpose in making such a disposal must be to contribute to the economic social or environmental well-being of the authority's area and/or its residents.
- 6.20 If either HRA or General Fund land is sold at an undervalue and the disposal is in connection with properties which are *privately let*, the disposal is likely to be caught by S.24 of the 1988 Act.. As stated above Secretary of state consent is required. The Secretary of state has issued a number of General consents which apply to the transfer of land. In the case of HRA land only, the council may rely on General Consent AA of 2014 provided the criteria set out in the consent are met.
- 6.21 The Direction issued by the Minister on 17th December 2014 requires the Council, until 31<sup>st</sup> March 2017, to “..... *obtain the prior written agreement of the Commissioners **before** emphasis added *entering into any commitment to dispose of, or otherwise transfer to third parties, any real property other than existing single dwellings for the purposes of residential occupation.*” Consent of the Commissioners is therefore required prior to any disposal.*

### **State Aid**

- 6.22 The Council is required to provide funding and ensure it and WOC operates in accordance with the state aid rules. Article 107 (1) of the Treaty on the Functioning of the European Union (Treaty)(‘the rules’) declares that state aid, in what ever form, which could distort competition and affect trade by favouring certain undertakings or production of certain goods, is incompatible with the common market, unless the Treaty and in practice the European Commission (through regulations and decisions) allows otherwise.
- 6.23 It is important that any loans/credit or other support and transfer of property to the WOC WOC are state aid compliant. Loans/credit which the Council generally makes available to WOC must be made on commercial terms and at a commercial interest

rate. If the Council subsequently chooses to make an equity investment into WOC it must ensure this is done on commercial terms. It will be necessary for the Council to obtain independent confirmation that such arrangements have been made on commercial terms prior to them being entered into.

- 6.24 There is an exemption from state aid for services provided in the general economic interest. Therefore, properties to be developed or acquired by the CBS for letting as social /affordable or intermediate housing will be exempt from the state aid regime

## **Procurement**

- 6.25 It is intended that WOC operates as a business and as such it is not intended for it to be a contracting authority nor subject to public contract procurement requirements. This has a number of implications. Members' are referred to the report prepared by Trowers & Hamlins solicitors which is in Appendix 3 (Exempt).
- 6.26 Other things that will need to be considered when establishing the WOC are how Corporation and Value Added Tax will affect trading and how any financial commitments to the company in terms of funding affect the Council's borrowing limits.
- 6.27 Before agreeing to the proposals 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 don't. Information relevant to these considerations is contained in the One Tower Hamlets section of the report.

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

- 7.1.1 When exercising its functions, including housing functions, the Council has a duty under section 149 of the Equality Act 2010 to have due regard to the need to eliminate unlawful discrimination and advance equality of opportunity and foster good relations between those who share a protected characteristic and those who do not. This proposal involves the Council's exercise of its general powers of competence to invest in commercial and charitable activities in the housing market. The homes delivered by the Community Benefit Society will be made available for Council nominees and the allocation and use of those units will be determined in accordance with statutory housing need requirements. The homes delivered by the Wholly Owned Company will be marketed in accordance with equalities legislation in relation to private commercial activities.

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

The Council is required to consider the value for money implications of its decisions and to secure best value in the provision of all its services. It is important that, in considering the application of funding, Members satisfy themselves that resources are allocated in accordance with priorities and that full value is achieved.

This report is concerned with achieving best value with the application of Right To Buy Receipts to schemes resulting in effective use of the funding resource. The strategies and schemes considered will deliver value for money in meeting the Council's duty as a local housing authority.

## 9. SUSTAINABLE ACTION FOR A GREENER ENVIRONMENT

9.1 There are no specific implications arising from the recommendations in this report.

## 10. RISK MANAGEMENT IMPLICATIONS

10.1 The proposals transfer risk into the WOC and CBS both of which have limited liability and hence do not create significant ongoing liabilities for the Council. Each of the delivery vehicles will be required to put in place their own robust risk management arrangements.

10.2 The following risks and mitigation measures have been identified in the development of the outline business case:

Risk Summary	Mitigation
Lack of suitable properties identified.	To engage someone specifically tasked with assessing the property market and identifying suitable properties. Properties will be considered from outside of the borough (up to a limit).
The portfolio of properties does not reflect need/strategic objectives	Continual monitoring of portfolio with controls and an approvals process regarding what can be purchased.
The properties don't achieve the anticipated yield.	Detailed financial modelling has been undertaken with sensitivity testing to determine the impact of changes in the market.
Maintenance costs are higher than anticipated.	The maintenance and operating costs are based on existing schemes and inflation allowed for. The model has been tested for variations to ensure the yield is positive even with some additional movement in costs.
Rent arrears and bad debts	Allowance has been made in the model for bad debts of up to 4% in both the wholly owned company which will provide homes for rent and sale and the Community Benefit Society which will provide homes for sub-market rent.
Rent inflation	This has been allowed for at CPI + 1% (3%) which is in line with the long term indexation for registered providers and therefore a good indication of inflation on sub-market rents.
Demand falls.	The need for accommodation due to the increasing population, increasing private sector rents and increasing housing prices mean supply is unlikely to outstrip demand however should this happen surplus/vacant property could be sold on the open market.
Governance failures	WOC – as 100% shareholder the Council will be able to influence the membership of the board and comment on their performance. CBS – as main investor the council will be able to influence the performance of the society through conditions on use of the money/and assets passed to the society.
WOC commercial failure	If the WOC fails to deliver a return on investment it may not be

Risk Summary	Mitigation
	able to provide funding for the CBS which in turn may fail.

**11. CRIME AND DISORDER REDUCTION IMPLICATIONS**

11.1 There are no significant implications arising from these specific recommendations.

**12. SAFEGUARDING STATEMENT**

12.1 There are no significant implications arising from these specific recommendations.

**Linked Reports, Appendices and Background Documents**

**Linked Report**

**Appendices**

- Appendix 1 – Evaluation of Housing Delivery Routes
- Appendix 2 – Implementation Plan
- Appendix 3 – Trowers & Hamlin legal advice (Exempt)

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

- None

**Officer contact details for documents:**

- n/a

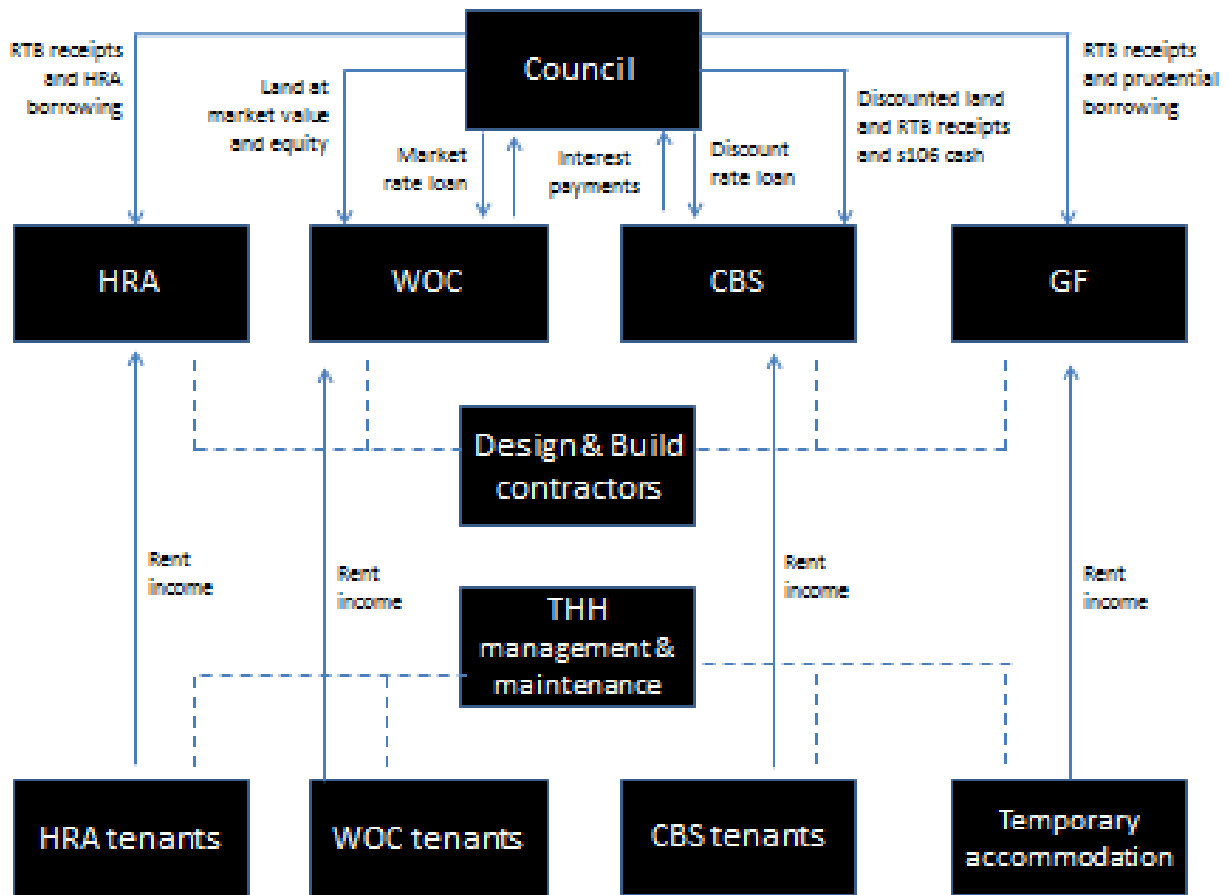
**Originating Officers and Contact Details**

<b>Name</b>	<b>Title</b>	<b>Contact for information</b>
Mark Baigent	Interim Divisional Director – Housing and Regeneration	020 7364 7522

## Appendix 1 – Evaluation of Housing Delivery Routes

<b>Criteria/Route</b>	<b>HRA</b>	<b>GF</b>	<b>WOC</b>	<b>CBS</b>
<b>Purpose</b>	Social	Social	Commercial	Charitable
<b>Land</b>	HRA land used at nil value	GF land used at nil value	HRA/GF land acquired at market value	HRA/GF land acquired, with some scope for discounted or nil value sale
<b>Use of retained RTB receipts</b>	Yes, but very limited due to borrowing cap	Yes, with GF prudential borrowing	No, not allowed under DCLG rules	Yes, provided LBTH has a minority interest
<b>Debt</b>	HRA borrowing (capped)	GF borrowing (prudential code)	GF on-lending at commercial rate	GF on-lending at charitable rate
<b>Equity</b>	Not required	Not required	Required, recommended at least 20% of total investment value	Not required, provided land and RTB receipts are available
<b>Tax status</b>	Exempt	Exempt	Fully taxable	Partially exempt
<b>Public procurement rules apply</b>	Yes	Yes	No, provided commercial purpose	No, charitable body outside public sector
<b>Tenure options</b>	Secure tenancies	Temporary accommodation	Market rents and homes for outright sale	Sub-market rents and low cost home ownership
<b>Allocation of homes</b>	Common Housing Register	Temporary accommodation	Open market and intermediate register	Common Housing Register and intermediate register

Diagram showing key financial flows:






## Appendix 2 – Implementation Plan

<b>Task</b>	<b>Responsible</b>	<b>Timescale</b>
Approve WOC Shareholders Agreement and Articles	Corporate Director D&R	February 2017
Approve CBS Rules and Deed of Covenant	Corporate Director D&R	February 2017
Register WOC at Companies House and appoint Directors	Corporate Director D&R	February 2017
Appoint Council CBS Members	Corporate Director D&R	March 2017
Recruit and appoint independent CBS Members	Corporate Director D&R	March 2017
Register CBS with Financial Conduct Authority	Corporate Director D&R	March 2017
Agree WOC policies and procedures	WOC Board of Directors	March 2017
WOC commercial loan facility approved	Corporate Director Resources	April 2017
WOC commences acquisitions	WOC	April 2017
Agree CBS policies and procedures	CBS Board Members	April 2017
CBS loan facility approved	Corporate Director Resources	April 2017
CBS commences acquisitions	CBS	April 2017
Acquired homes advertised and let	WOC & CBS	July 2017
Draw up development plans for WOC and CBS	Corporate Director D&R	July 2017
Recommend to Mayor & Cabinet further funding and land transfer to facilitate development plans	Corporate Director D&R	September 2017
New build development plans commence delivery	WOC & CBS	January 2018

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<p><b>Cabinet</b></p> <p>7 February 2017</p>	
<p><b>Report of:</b> Graham White, Interim Corporate Director of Governance</p>	<p><b>Classification:</b> Unrestricted</p>
<p><b>Outline Strategic Plan 2016-19 – Year Two (2017-18)</b></p>	

<b>Lead Member</b>	<b>John Biggs, Executive Mayor</b>
<b>Originating Officer(s)</b>	Sharon Godman (Divisional Director, Strategy, Policy & Equalities)
<b>Wards affected</b>	All wards
<b>Key Decision?</b>	Yes
<b>Community Plan Theme</b>	<b>All</b>

**Executive Summary**

This report presents the Strategic Plan 2017-18 at appendix one for approval by the Mayor in Cabinet. It details the Council’s priorities and outcomes that will delivered over the next year in the context of national, regional and local challenges and opportunities.

**Recommendations:**

The Mayor in Cabinet is recommended to:

1. Consider the Strategic Plan (appendix 1); and
2. Note that the final Strategic Plan and accompanying Delivery Plan will be presented to Cabinet in April 2017.

## **1. REASONS FOR THE DECISIONS**

- 1.1 It is important that the Council sets out its key priorities and how it will measure progress against them. This report presents the draft Strategic Plan. The final Strategic Plan and accompanying delivery Plan will be considered by Cabinet in April 2017.

## **2. ALTERNATIVE OPTIONS**

- 2.1 This is year two of a three year Strategic Plan agreed by Cabinet in April 2016. The Mayor in Cabinet may choose not to agree the draft Strategic Plan. This course of action is not recommended as there would be significant planning gap: the Strategic Plan is a key element of the Council's business planning arrangements. It is important for the Council to articulate its priorities.
- 2.2 The Mayor in Cabinet may choose to amend the draft Strategic Plan prior to approval. If he wishes to amend the Plan, regard would need to be given to the Council's medium term financial plan, as well as any impact arising from the changes. Amendments may be made to the draft Strategic Plan prior to its final approval in Cabinet, alongside the Strategic Plan Delivery Plan, in April 2017.

## **3. DETAILS OF REPORT**

- 3.1 The Strategic Plan is a central part of the Council's Performance Management and Accountability Framework. The Plan is aligned with the Community Plan and the budget and sets out the priorities and outcomes as well as related corporate performance measures. The Strategic Plan has been updated to take account of any changes and is deliberately a summary of the full three year strategic plan published in April 2016. It is accompanied by a Strategic Delivery Plan for 2017-18 – to be agreed by Cabinet in April 2017. The Strategic Plan is a public-facing document and the delivery plan will be more concise and outcomes focussed.
- 3.2. The draft Plan is arranged around three priority areas:
- Creating opportunity by supporting aspiration and tackling poverty; and
  - Creating and maintaining a vibrant and successful place.
  - Working smarter together as one team with our partners and community
- 3.3 In order to support delivery of these over-arching priorities a set outcomes have been articulated as set out below:
- 3.4 Priority One  
Creating opportunity by supporting aspiration and tackling poverty
- Outcomes are:
- A dynamic local economy with high levels of growth that is inclusive and shared by residents
  - Residents in good quality and well-paid jobs

- Children get the best start in life and young people realise their potential
- People are healthy and independent for longer
- Gaps in inequality have reduced and diversity is embraced

### 3.5 Priority Two

Creating and maintaining one of the most vibrant and successful places in London

Outcomes are:

- An improved local environment
- People feel safe and places have less crime and anti-social behaviour
- Better quality homes for all
- Communities are engaged, resilient, and cohesive

### 3.6 Priority Three

Working smarter together as one team with our partners and community

- An enabling and efficient Council

3.6 This approach provides a new framework for the development of the Strategic Plan. The Plan also includes a proposed set of strategic performance measures to help track progress and impact. It is recognised that to achieve these outcomes at a time of reducing resources, the Council will need to transform itself over the next 2-3 years.

3.7 The Strategic Plan provides an initial framework. A Delivery Plan for 2017-18 will be developed which will set out our key deliverables. As in previous years, the Single Equality Framework equality objectives have been integrated into Plan and also include recent findings from the borough equality assessments. A final version of the Strategic Plan, and the supporting Delivery Plan, will be submitted for consideration by Cabinet in April 2017.

## **4. COMMENTS OF THE CHIEF FINANCE OFFICER**

4.1 The Strategic Plan (year two 2017/18) is a core planning document; this report sets out the Strategic Plan for 2016-19. The document provides a framework for allocating and directing financial resources to priorities for 2016-19.

4.2 In the event that, during the implementation of individual projects and schemes, financial implications arise outside the current budget provision, officers are obliged to seek the appropriate financial approval before further financial commitments are made. This report has no other financial implications.

## **5. LEGAL COMMENTS**

- 5.1 The Strategic Plan specifies how the Council will prioritise delivery of its functions and thus ranges across the Council's statutory powers and duties. The proposed priorities are capable of being carried out lawfully and it will be for officers to ensure that this is the case.
- 5.2 Section 3 of the Local Government Act 1999 requires best value authorities, including the Council, to “make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness”. The development of a Strategic Plan, together with its delivery and subsequent monitoring will contribute to the way in which the best value duty can be fulfilled. Monitoring reports to members and actions arising from those reports will help to demonstrate that the Council has undertaken activity to satisfy the statutory duty.

## **6. ONE TOWER HAMLETS CONSIDERATIONS**

- 6.1 The Strategic Plan 2017-18 has been informed by the Borough Equality Assessment and subject to an equality analyses screening exercise. When published in April 2017, the Delivery Plan will incorporate the Council’s Single Equality Framework equality objectives, ensuring that a focus on tackling inequality informs the strategic direction of the Council. This will enable the Council to demonstrate how it is meeting the requirements of the Public Sector Equality Duty to prepare and publish objectives which demonstrate how the organisation will eliminate discrimination, advance equality of opportunity, and foster good relations between different people.

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

- 7.1 Section 3 of the Local Government Act 1999 requires the Council as a best value authority to “make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness”. The activities and measures in the Strategic Plan will be carefully monitored, helping to fulfil this obligation.

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

- 8.1 The Strategic Plan includes a strategic objective relating to the creation of a better local environment, including a focus on recycling, parking and managing development pressure.

## **9. RISK MANAGEMENT IMPLICATIONS**

- 9.1 The Strategic Plan provides a strategic framework for other strategies and plans. Risks relating to the achievement of its objectives are therefore monitored through the Council's corporate risk register and directorate risk registers. Risks are assessed for likelihood and impact, and have responsible owners and programmes of mitigating actions.

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

- 10.1 The Strategic Plan includes a strategic objective relating to reducing crime and anti-social behaviour.

## **11. SAFEGUARDING IMPLICATIONS**

- 11.1 The Strategic Plan includes a focus on vulnerable residents. There are no specific safeguarding implications.

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### **Linked Reports, Appendices and Background Documents**

#### **Linked Report**

- NONE

#### **Appendices**

- Draft Strategic Plan 2016-19 (Appendix 1) -

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

- NONE

#### **Officer contact details for documents:**

Afazul Hoque, Interim Service Manager Strategy, Policy and Performance ext. 4636

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# Tower Hamlets Strategic Plan 2016-19 Year 2- 2017-18

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A place of opportunity



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# Foreword by Mayor John Biggs



Tower Hamlets is an inspirational and aspirational place - a great place to live, work, learn and play. Thousands of people are attracted to our borough because we are diverse, dynamic, modern and exciting with an enterprising global economy that plays a crucial role in the London economy. I want the council to work with its partners to ensure Tower Hamlets promotes its unique location, maintains excellent connections and is able to respond to opportunity and challenge to get the best deal for residents. This is year two (2017 - 18) of the council's three year strategic plan, the overarching

document that sets out what action will be taken in the year ahead. It is aligned to our budget and transformation programme over the next three years.

I want Tower Hamlets to be the most creative, vibrant and enterprising place in London where people have the opportunity to realise their ambition to improve and thrive. We are committed to making every neighbourhood in the borough a great place to live, with excellent public services and a high quality environment for all communities to enjoy. We want to build a more equal and socially just borough, in which the council supports vulnerable people to live with dignity and security, and in which our diverse communities are treated with respect.

We are ambitious for residents and want the council to play a bigger role in maximising access to jobs and training. Critically, we want growth to drive a reduction in inequality rather than making it worse. This borough has some pockets of entrenched deprivation where 87% of our older residents and 58% of children live in poverty. We must do more to ensure the residents have better outcomes. However, I recognise the council cannot do this on its own. It is only by working with residents, our partners and local businesses that we can unleash our borough's true potential, deliver excellent public services that are

value for money, and attract the investment we need to shape our future and transform lives.

The council has been working hard to improve our services, and to develop our world class economy. I am proud of our achievements over the last year, including delivering 1073 affordable homes and helping 994 residents into sustainable jobs. Last year I also had the pleasure of launching the Ethical Care Charter which seeks to improve home care services for vulnerable local people and the conditions for home care workers. We also established the Tower Hamlets Education Partnership to build on our excellent track record of improving attainment in schools by bringing together the diverse range of schools in the borough to continue working and learning together. Nationally the council has been short listed and won numerous awards including those recognising the regeneration of the Ocean Estate, and involving local people in adopting gardens.

I am committed to serve and represent our borough at a local, regional, and national level, and to ensure the provision of excellent quality services for local people, communities and businesses. I will provide and encourage an outward looking and transparent leadership for the borough, providing more opportunities for residents and partners to improve the borough and life of people and its communities.

However I am not complacent. Some of the decisions that need to be made will be difficult, especially at a time when many of our residents are experiencing hardship and need support in their daily lives. We must also listen to and learn from people's experience to ensure we meet the needs of all our communities - from the most articulate to the quietest voices. That is why I want the council to be open and transparent as it goes through change, ensuring you have the opportunity to get involved and have your say about the things that matter most to you. After all it is your borough and it's your future.

A handwritten signature in black ink, appearing to read 'John Biggs', written in a cursive style.

Mayor John Biggs

# Introduction



Tower Hamlets has a proud tradition of public service and we need to build on this at a time of significant transformation. Right now, the main driver of this change must be an absolute focus on being responsible for achieving the Mayor's priorities and outcomes set out in this plan. The council has a critical role in making this happen through the services we provide, the money we spend and the people we employ.

To achieve this we need to listen to our residents and those that work for the council and encourage them to get involved to address the things that matter most. We need to work with partners and our community to enable the earliest self-help, prevention and intervention. To do this we should exploit new technology to deliver many of our services, so that people can access the council at any time in a variety of ways. Many people need to access multiple services from the council, but because of the way we are currently set up it can often feel like they are dealing with different organisations. We are still one of the highest spenders on public services, yet some of the outcomes for our residents do not match our investment and effort. This needs to change.

We have to achieve these changes at a time when we have less money combined with the fastest growing population in UK and increasing demand for many of our important services. Over the next three years the council will need to save £58 million. We can only achieve this difficult task by transforming the way we work and challenge ourselves to explore new ways of delivering for the residents of Tower Hamlets.

At my road shows I was told how proud staff are to work for the council. This is a huge asset that combined with a widespread recognition of the need for changes to our culture and approach involving a strong emphasis on being more efficient makes for a promising future. So we will invest in the right skills, develop a culture that puts people at the heart of everything we do and enable residents and communities to do things for themselves.

The organisation needs to be agile, enabling more staff to work flexibly, operating when and where needed most. We aspire to be an employer of choice achieving modern working practices that complement and facilitate our plans for improving access for customers and citizens. These will culminate in our move to the heart of the borough in our new Civic Centre in Whitechapel.

I am really proud of the council's achievements this year. I attended the hugely successful Boishakhi Mela, which attracted over 45,000 people. Victoria Park was, for the fourth time, voted the nation's favourite park and again held the annual Fireworks attracting over 75,000 people. We have planned a three year budget, delivered not one but three successful elections and delivered a range of work against the Best Value Action Plan recognised by the Secretary of State with some decision making powers given back to the council. I want to promote your achievements and am keen that we build on this in the year ahead.

Our updated strategic plan sets out the priorities and outcomes our Mayor and his administration have been elected to deliver. These are underpinned by our transformation programme and medium term financial strategy. It is only by working smarter together with our partners and community will we make a difference for the people who live and work in Tower Hamlets.

**Will Tuckley, Chief Executive**

# About Tower Hamlets

Tower Hamlets is a dynamic and vibrant place to live, work, learn and play with diverse and creative communities, award winning parks and a successful world class economy. Below are some facts and figures. More information can be found at – [www.towerhamlets.gov.uk/ignl/community\\_and\\_living/borough\\_statistics/borough\\_statistics.aspx](http://www.towerhamlets.gov.uk/ignl/community_and_living/borough_statistics/borough_statistics.aspx)

## POPULATION

- Resident population of **295,200**
- Fastest growing** population in the UK
- Predicted to increase by **365K** by **2026**
- 38% increase** in the last 10 years
- Half the population aged **20-39**
- Only **9%** aged **60+**
- 69%** belong to an ethnic minority
- Over **90** languages spoken

## ECONOMY

- Canary Wharf** is second largest business district in the UK
- Just under **16,000** business units
- Borough's economy dominated by the **financial sector**
- Second highest** earnings in London
- Full-time workers in Tower Hamlets earn **£46,100** per annum compared to the London average of **£36,302**

## HOUSING

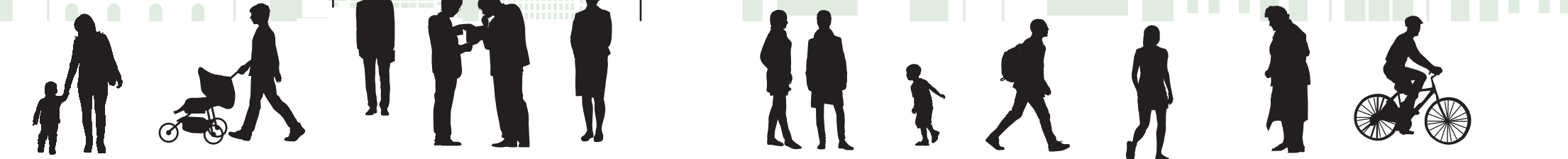
- Significant changes in the types of **housing tenure** in the last 10 years
- 39%** of housing stock is private rented sector
- Highest level** of new dwelling growth in the UK
- Delivered highest number of **affordable homes** in the UK

## EDUCATION

- 63%** pupils achieve A\*-C levels for Maths/English
- Significant increase in working age residents with **qualifications**
- School population of **42K** set to increase by **25%** in **2025**

## HEALTH & WELLBEING

- Over **200** open spaces with more than **100** parks
- 8 out of 10** residents report that their health is good or very good
- Average age a male starts to develop health problems is **54** compared to **64** nationally
- Average age a female starts to develop health problems is **56** compared to **64** nationally



# Our challenges

Tower Hamlets economy and regeneration helped to deliver globally competitive job opportunities and an enhanced local environment whilst investment in education and skills has delivered successes in educational outcomes for children and young people and tackle unemployment. However the extent of poverty for children and older people remain stubborn long term challenges.

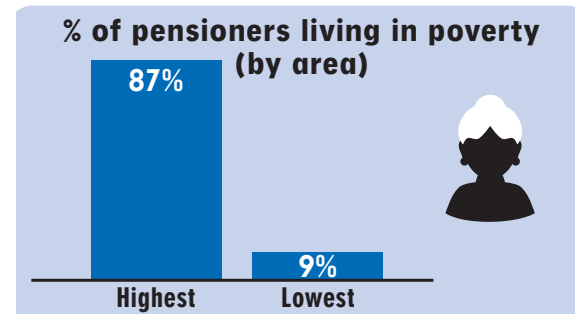
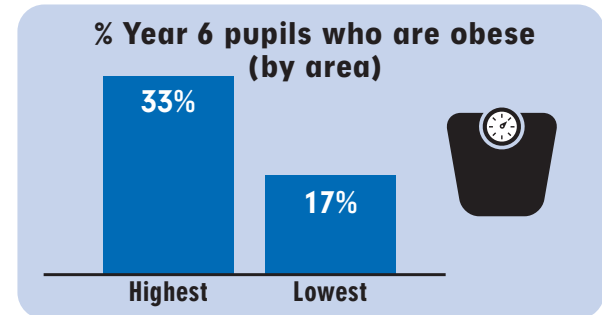
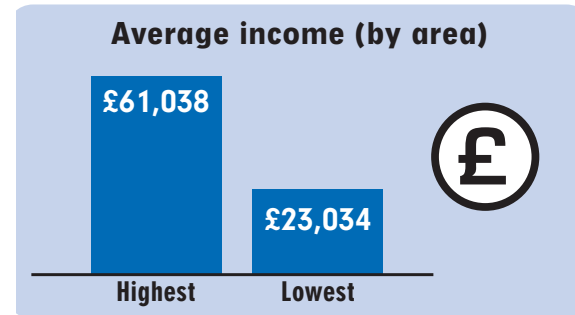
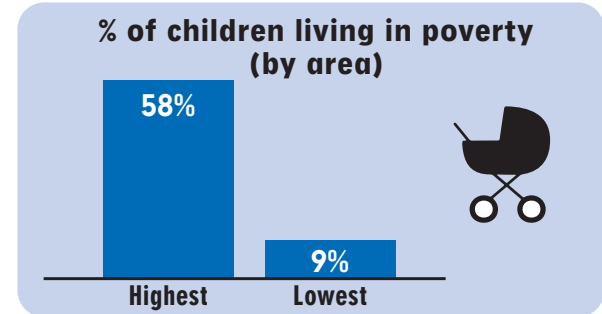
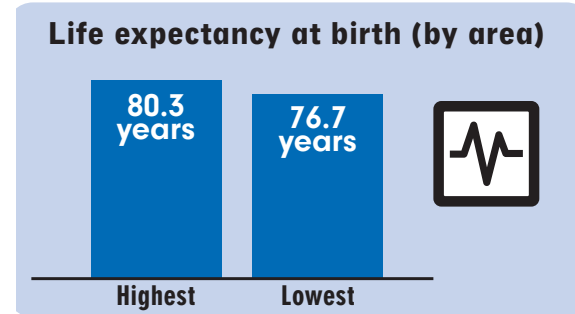
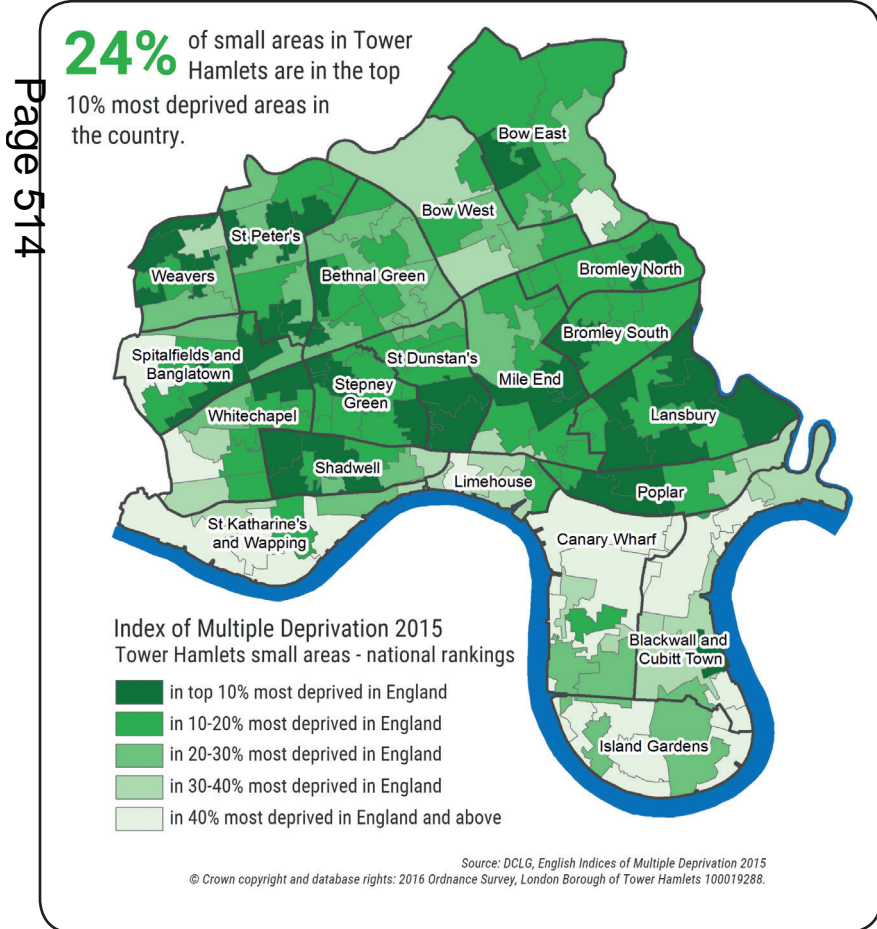
## Deprivation in Tower Hamlets

Some areas of the borough are more deprived than others.

The Index of Multiple Deprivation provides a relative measure of deprivation for small areas across England, taking into account 7 different factors: income, employment, education, health, crime, housing and services, and living environment.

## Inequality in Tower Hamlets

The charts below provide an example of outcomes that vary between different parts of the borough.



Note: Statistics given 'by area' are shown by Lower Super Output Area (LSOA).

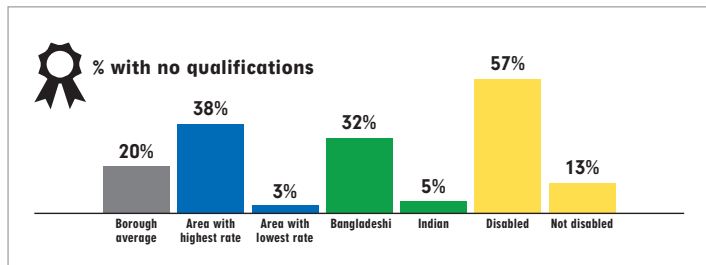
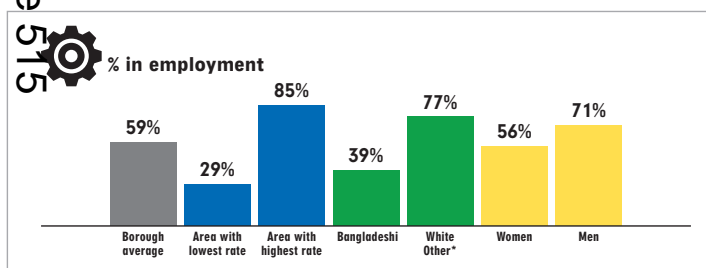
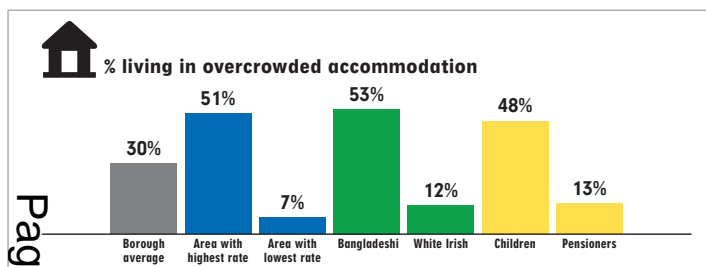
Sources (listed from top and left to right): GLA, Life Expectancy at Birth and at Age 65 by Ward, 2010-2014; DCLG, English Indices of Multiple Deprivation 2015 (shown by LSOA); CACI, Equalised Paycheck Directory 2015 (shown by LSOA); Public Health England, Prevalance of overweight and obesity by area of child residence (shown MSOA), 2012/13-2014/15; DCLG, English Indices of Multiple Deprivation 2015 (shown by LSOA)

# Our challenges and residents' concerns

The differences in levels of income have also increased and people are facing increasing hardship and lower living standards affecting the poorest households but also many who are in work. We want to lessen the impact of disadvantage and promote greater opportunity and fairness through all the means available to us, whether it is through leadership, as a service provider, employer or purchaser in the local economy. Results from the residents' survey highlight a range of views about the challenges in their neighbourhoods as well as impacting on their lives. More information can be found - [www.towerhamlets.gov.uk/ignl/community\\_and\\_living/borough\\_statistics/Annual\\_Residents\\_Survey.aspx](http://www.towerhamlets.gov.uk/ignl/community_and_living/borough_statistics/Annual_Residents_Survey.aspx)

## Inequality experienced by different groups of residents in Tower Hamlets

The charts below provide an example of the differences between groups of people living in the borough.



\* The Census ethnicity classification includes four 'White' groups: 'White British', 'White Irish', 'White Gypsy/Traveller' and 'White Other'. The 'White Other' group is particularly diverse and includes residents from a mix of ethnic backgrounds (e.g. European, Australian, American).  
Sources: ONS Census 2011 Tables (in order they appear): LC3404EW (by LSOA), LC2404EWs, DC3404EW, LC6210EW (by LSOA), DC6201EW, DC6107EW, QS501EW (by LSOA), DC5209EWa, and LC5301EW.

## What our residents think

Results from the Annual Residents Survey 2016

### The council

**71%** are satisfied with the way the council runs things.  
**52%** feel the council is open and transparent about its activities.  
**72%** trust the council a great deal or a fair amount.

### Economy

**60%** says the council provides good value for the council tax they pay.  
**32%** say that affordable housing is among their top three personal concerns.  
**20%** say that a lack of jobs is among their top three personal concerns.

### Social

**87%** say people from different backgrounds get on well together in their local area.  
**51%** say that people using or dealing drugs is a very or fairly big problem.  
**39%** say that crime is one of their top personal concerns, making it the top concern of residents overall.

### Environment

**83%** are satisfied with their local area as a place to live.  
**48%** feel that rubbish/litter was a very or fairly big problem in their local area.  
**17%** say that traffic congestion is among their top three personal concerns.

# Our priorities and outcomes

Based on an understanding of the local community, their views and the opportunities and challenges facing the borough the council has identified its priorities and outcomes for 2017-18.

## Priority one: Creating opportunity by supporting aspiration and tackling poverty

We want to create opportunities for residents by supporting their aspiration and tackling poverty so that everyone can have the best start in life and is supported to achieve better outcomes for themselves, their family and community.

Supporting residents to benefit from the borough's strong economy is still a key challenge. Whilst the borough's employment rate continues to improve, it remains below the London average, particularly so for women and ethnic minority residents. Residents identify lack of jobs as one of their top three areas of concern. Our three priorities must be to actively support businesses to create and locate good-quality jobs in our borough; to ensure that our residents are equipped – through training, support and brokerage – to access those jobs; and in parallel to support the historic tendency of resident communities towards enterprise and business start-ups. At the same time as working intensively with long-term unemployed residents being hit by benefit cuts to get them into work, we will also need to focus on making our borough attractive to high-skilled companies – for example in tech or creative industries – that will provide the jobs for the growing number of our young people whether graduating from university or fresh from our schools and colleges. We will work with partners to address poverty on old age and critically tackle child poverty as it is at the root of many poor outcomes for children and young people and their families.

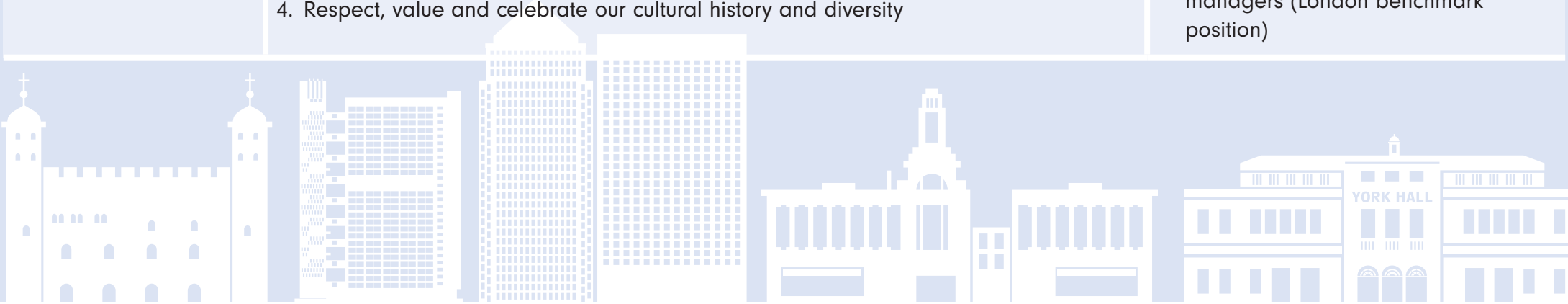
What outcome do we want to achieve	What action will we take	What will we measure
<b>A dynamic local economy, with high levels of growth that is shared by residents</b>	<ol style="list-style-type: none"><li>1. Develop and deliver the Growth Strategy to create the right environment for sustained economic growth whilst harnessing the benefits for local residents and businesses</li><li>2. Implement a programme of business support for Tower Hamlets businesses and entrepreneurs</li><li>3. Create the right environment for business growth including delivering the Whitechapel Vision, securing the provision of appropriate workspace (including for scale-up businesses) and meeting the advanced IT infrastructure needs of business</li><li>4. Work in partnership with skilled industries where the borough has existing or emerging clusters to understand their needs and accelerate their growth in order to boost the number of skilled jobs in the local economy</li><li>5. Implement a High Streets and Town Centres Strategy</li><li>6. Improve our ability to secure local employment through S106 agreements with developers building in our borough</li></ol>	<ul style="list-style-type: none"><li>● Rate of new business registrations</li><li>● Number of businesses supported through council activities</li></ul>



What outcome do we want to achieve	What action will we take	What will we measure
<b>Residents in good quality, well-paid jobs</b>	<ol style="list-style-type: none"> <li>1. Develop an Integrated Employment Service to support higher volumes of local people into work, including graduates into higher skilled jobs *</li> <li>2. Improve the quality and availability of skills training and ESOL provision, and better co-ordinate the provision of both third-sector and private sector employment support, including by moving from grant giving to commissioning for employment services</li> </ol>	<ul style="list-style-type: none"> <li>● Overall employment rate (gap between LBTH and London average)*</li> <li>● Job starts for Tower Hamlets residents supported by Employment and Skills Programmes</li> </ul>
<b>Children get the best start in life and young people realise their potential</b>	<ol style="list-style-type: none"> <li>1. Provide adequate early help for the most vulnerable children and families, with a strong focus on safeguarding</li> <li>2. Develop a sustainable offer of support to children with special educational needs</li> <li>3. Improve educational aspiration and attainment*</li> <li>4. Ensure better outcomes for looked after children and young people *</li> <li>5. Promote post-16 provision so that it is appropriate and inclusive for all students</li> <li>6. Support all young people to access enrichment and social activities</li> </ol>	<ul style="list-style-type: none"> <li>● Excess weight in 4-5 year olds</li> <li>● Number of Adoptions and Special Guardianship Orders granted</li> <li>● Average number of days between a child entering care and moving in with his/her adoptive family</li> <li>● % Looked After Children in same placement for 2 years or more</li> <li>● EYFS Early Years Achievement – proportion of children achieving a good level of development*</li> <li>● Educational attainment of looked after children at KS2 and KS4</li> <li>● Key Stage 2 - Percentage of pupils achieving the national standard</li> <li>● Key Stage 4 (GCSE) - Attainment 8 and Progress 8 measures*</li> <li>● Key Stage 5 average grade: Academic qualifications and vocational qualification*</li> <li>● Percentage of pupils who think that they will go to university or higher education in the future (primary and secondary)</li> <li>● Proportion of young people not in education, employment or training (NEET)*</li> </ul>

What outcome do we want to achieve	What action will we take	What will we measure
<b>People are healthy and independent for longer</b>	<ol style="list-style-type: none"> <li>1. Create a healthier place*</li> <li>2. Develop an integrated health and social care system*</li> <li>3. Support communities to drive change in health and wellbeing</li> <li>4. Increase the independence and resilience of our communities</li> <li>5. Tackle health-related employment issues*</li> <li>6. Keep vulnerable adults safe, minimising harm and neglect*</li> <li>7. Improve participation in sport, and other health promoting activities, at a community level</li> </ol>	<ul style="list-style-type: none"> <li>● Adult Social Care carer satisfaction*</li> <li>● % of adult care users who say care and support services help them have control over their daily life</li> <li>● Proportion of people over 65 receiving long term support, per 100,000 population*</li> <li>● Smoking cessation (4 week quit rate per 100,000 population)</li> <li>● Self-reported happiness (sense of wellbeing)</li> <li>● Non-elective hospital admission rates</li> <li>● Number of people with mental health problems in employment*</li> </ul>
<b>Gaps in inequality have reduced and diversity is embraced</b>	<ol style="list-style-type: none"> <li>1. Mitigate the impact of welfare reform on our most vulnerable residents *</li> <li>2. Support more women and black and minority ethnic and disabled residents into employment*</li> <li>3. Improve children’s weight and nutrition *</li> <li>4. Respect, value and celebrate our cultural history and diversity</li> </ol>	<ul style="list-style-type: none"> <li>● Employment gap for women and BME</li> <li>● Attainment gap for White British Children</li> <li>● Workforce diversity of senior managers (London benchmark position)</li> </ul>

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## Priority two: Creating and maintaining a vibrant and successful place

We want to create a place that allows people to prosper, live safely and lead a healthier life. Housing continues to be a challenge for us with nearly 20,000 households on the Common Housing Register and over 50% in high priority need. Despite our strong track record of building large number of affordable homes for local people the continuous growing population, low income levels for many households and high house prices makes this an on-going priority for us as good housing has impact on many other issues such as health and education. Through the development of our local plan we will seek to address the infrastructure needs of a growing population including school places, parks, leisure facilities and transport are in place so communities are sustainable and cohesive.

What outcome do we want to achieve	What action will we take	What will we measure
<b>An improved local environment</b>	<ol style="list-style-type: none"> <li>1. Ensure that the borough is clean to the highest possible standards</li> <li>2. Improve waste management and recycling performance</li> <li>3. Reduce the impacts of traffic on our residents, making our borough one of the best in London to walk or cycle in and building a sustainable approach to road use and parking policy</li> <li>4. Manage development pressure through the preparation of a new Local Plan and provide effective local infrastructure, services and facilities</li> <li>5. Improve air quality and enhance the environmental sustainability of the borough; reduce carbon emissions, enhance biodiversity and alleviate fuel poverty</li> </ol>	<ul style="list-style-type: none"> <li>● Overall satisfaction with the area as a place to live</li> <li>● Levels of street and environmental cleanliness: litter / detritus / graffiti / fly-posting</li> <li>● Proportion of household waste sent for reuse, recycling and composting</li> <li>● Proportion of residents who rate parks and open spaces as good, very good or excellent</li> <li>● Improved air quality</li> </ul>
<b>People feel safe and places have less crime and anti-social behaviour</b>	<ol style="list-style-type: none"> <li>6. Work with our partners to target resources to reduce crime *</li> <li>7. Step up activity to tackle anti-social behaviour 24/7</li> <li>8. Reduce the prevalence of illegal activity in relation to the sex industry *</li> </ol>	<ul style="list-style-type: none"> <li>● Total Notifiable Offences / Borough crime reduction*</li> <li>● Extent to which residents feel the police and other local services are successfully dealing with ASB*</li> <li>● Local Concern about ASB and Crime*</li> <li>● Proven re-offending by young people - % of cohort that reoffends</li> </ul>

## What outcome do we want to achieve

## What action will we take

## What will we measure

### Better quality homes for all

1. Increase the availability of good quality housing, including family-sized homes, across all tenures \*
2. Maintain and improve the quality of council housing stock and housing management services
3. Improve the quality of privately rented stock in the borough
4. Improve the quality and management of Registered Provider stock in the borough
5. Tackle homelessness, including through improved prevention and a reduction in families in temporary accommodation\*

- Number of affordable homes delivered\*
- Number of social / affordable rented housing completions for family housing\*
- Number of affordable units provided as wheelchair accessible or adaptable (10% of affordable homes delivered)\*
- Proportion of non-Decent Homes\*
- Number of households who considered themselves homeless, who approached the local authority's housing advice service(s), and for whom housing advice casework intervention resolved their situation\*
- Number of households living in temporary accommodation\*
- Number of homeless families in B&B for more than 6 weeks\*
- Number of lets to overcrowded households\*

### Communities are engaged, resilient and cohesive

1. Engage and communicate effectively with residents
2. Establish a new collaborative relationship with the voluntary and community sector to deliver priority outcomes and build strong communities
3. Co-produce services with residents
4. Promote community cohesion, bringing different parts of the community together, tackling divisions and encouraging positive relationships \*
5. Work together with partners and communities to tackle the threat of radicalisation and extremism.
6. Deliver an effective and broad leisure,cultural and learning offer that reaches people living and working in the borough.

- Council involves residents in decision making\*
- Residents feel able to influence decisions in their local community\*
- Council listens to concerns of residents\*
- Proportion of people from different backgrounds who get on well together\*
- Proportion of users who rate libraries/Idea Stores as good, very good or excellent

## Priority three: Working smarter together as one team with our partners and community

We want to be a council that is enabling and efficient for the communities we serve. To achieve this we recognise the need to make fundamental changes to our relationship with our residents and partners and in the way we are organised and operate. In the future the council will be different to meet the increasing demand at a time of financial constraint. We will redesign our services around our customers' needs, consolidating and simplifying the way we do things. We will root out duplication to reduce cost and complexity so that we focus on the things that matter to our residents and work with our partners from all sectors to deliver. We will work with partners and our community to provide the earliest self-help, prevention and intervention exploiting new technology to deliver many of our services, so that people access the council in a variety of ways and at any time. We will use our buying power to commission services that get the best outcomes for our resident, provide greater social value to the borough and are value for money as well as where possible explore service integration with our partners. Tower Hamlets staff are proud to work for the council and we will invest in the skills needed so that they can operate effectively developing a culture that puts people at the heart of everything we do. Staff will be encouraged to be agile, work more flexibly, so they can operate when and where they need to, establishing a modern working environment based in Whitechapel.

What outcome do we want to achieve	What action will we take	What will we measure
<p><b>An enabling and efficient council</b></p> <p style="writing-mode: vertical-rl; transform: rotate(180deg);">Page 521</p>	<ol style="list-style-type: none"> <li>1. Make best use of council resources through effective procurement and commissioning exploiting greater value for money and use of assets and maximising income from local growth</li> <li>2. Support an organisational culture based on transparency, trust and effective relationships</li> <li>3. Deliver the Smarter Together transformation programme to ensure effective and responsive front line services and efficient cost-effective support services, enabled by ICT and a new Civic Centre</li> <li>4. Deliver the One HR Plan*</li> <li>5. Re-invigorate our partnership relationships nurturing an outward looking culture, by asserting our place and relationships in London.</li> <li>6. Deliver an effective communication plan</li> </ol>	<ul style="list-style-type: none"> <li>● Staff engagement measures (visibility of senior managers and pride in workplace)</li> <li>● Channel Shift measure - percentage of contact transactions dealt with online</li> <li>● Customer access overall satisfaction</li> <li>● Number of working days / shifts lost to sickness absence per employee</li> <li>● Proportion of residents agreeing that the council is doing a good job</li> <li>● Percentage of non-domestic rates collected in line with budgeted collection</li> <li>● Percentage of council tax collected in line with budgeted collection</li> </ul>

Those activities marked with an \* are also priority activities within the council's Single Equality Framework

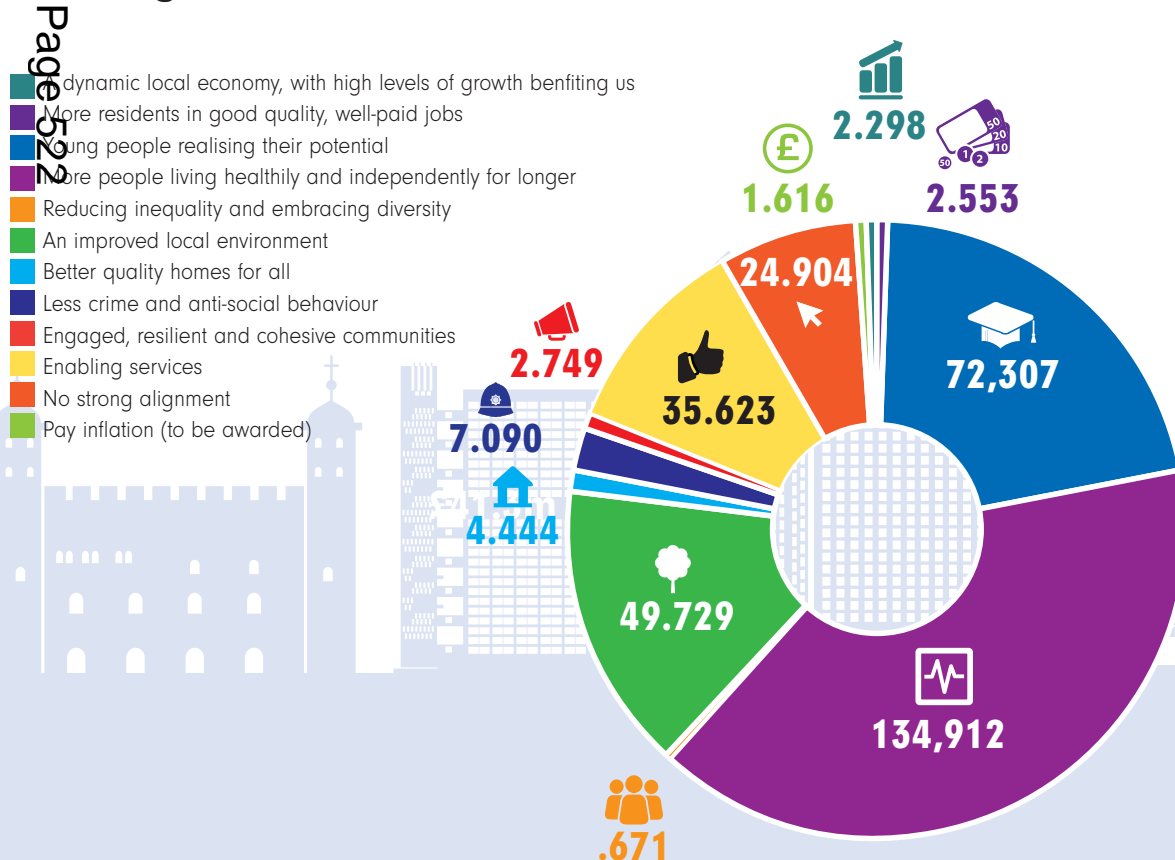


# Our budget

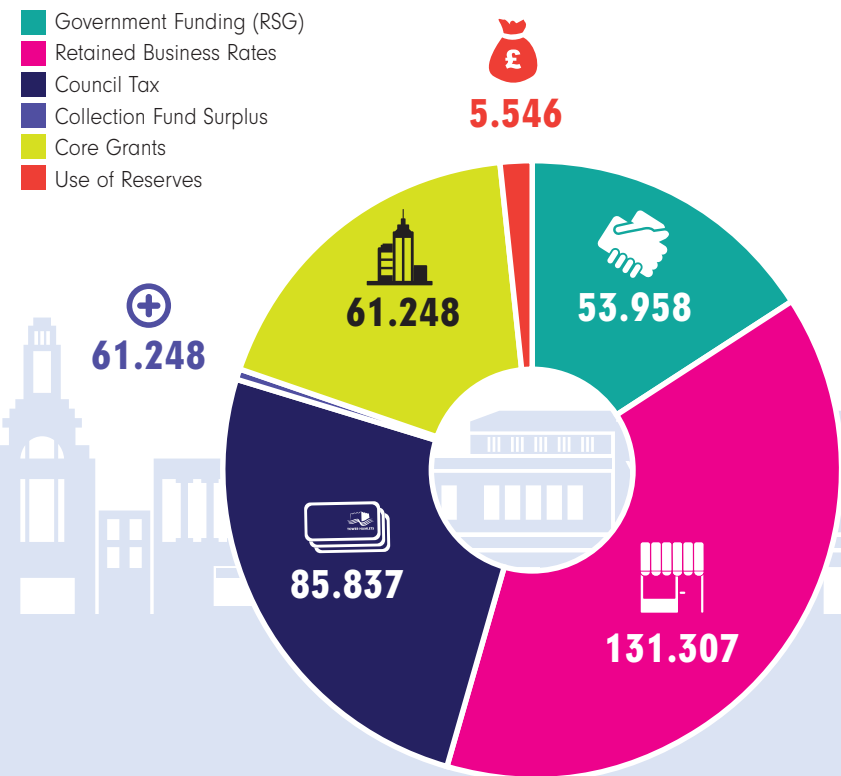
The council's overall budget is just over £1.21 billion which includes the Dedicated Schools Grants and Housing Revenue Account. The council has adopted an Outcome Based Budgeting (OBB) approach to help deliver the longer term transformational changes required to meet the savings target of £58m over the next three years. The council's new Medium Term Financial Strategy (MTFS) 2017-20 seeks to reflect OBB principles, delivering the council's priority outcomes as set out in this plan, while making savings through planned budget reductions rather than cutting costs on a service by service basis. More information on the council's budget can be found on [http://www.towerhamlets.gov.uk/ign/council\\_and\\_democracy/council\\_budgets\\_and\\_spending/Tower\\_Hamlets\\_Council\\_Efficiency\\_Plan\\_2016\\_20.aspx](http://www.towerhamlets.gov.uk/ign/council_and_democracy/council_budgets_and_spending/Tower_Hamlets_Council_Efficiency_Plan_2016_20.aspx)

## General Fund Revenue Budget 2017/18 £(m)

### Revenue Budget Spend: A breakdown of budget spend according to outcome areas.



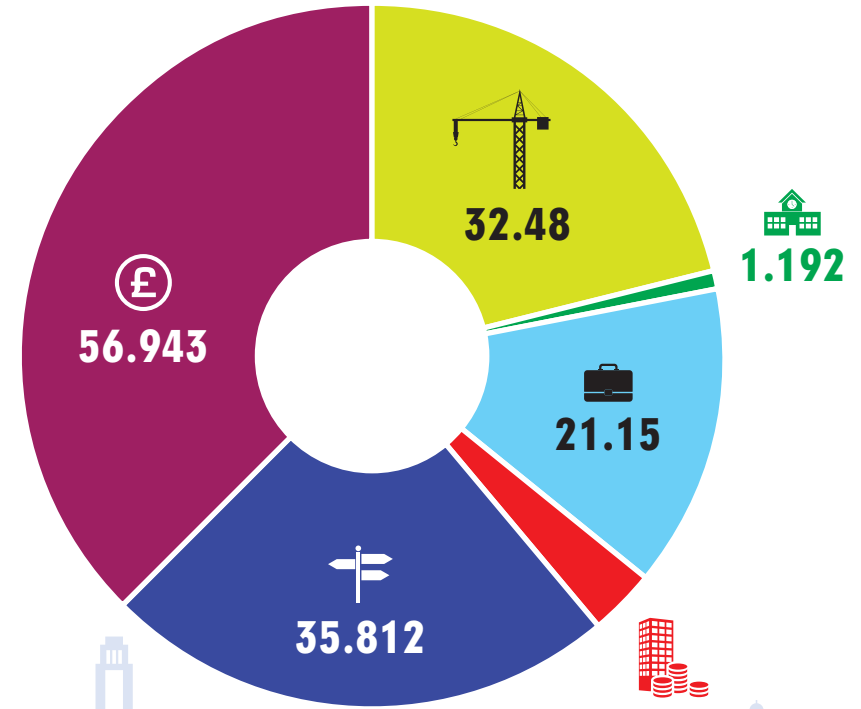
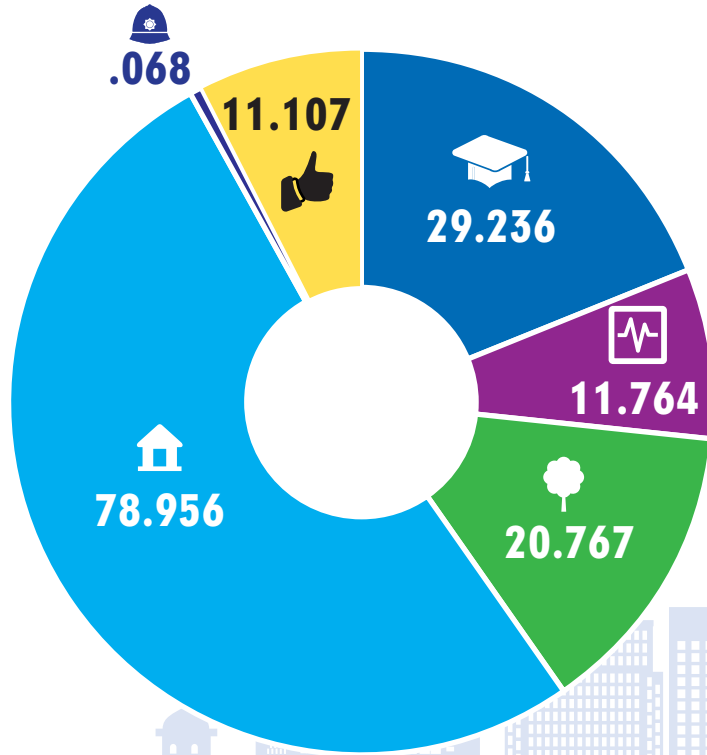
### This is where our £338.896m revenue funding comes from.



# Capital Programme Budget 2017/18 £(m)

Capital Budget Spend: A breakdown of budget spend according to outcome areas.

This is where our £151.198m capital funding comes from.



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- Young people realising their potential
- More people living healthily and independently for longer
- An improved local environment
- Better quality homes for all
- Less crime and anti-social behaviour
- Enabling services

- Capital Grants
- Schools Contribution
- Capital Receipts
- Prudential Borrowing
- S106/Community Infrastructure Levy
- Revenue

# Tower Hamlets achievements (2015-16 data will be updated with 2016-17 data once available)

Dealt with **3,309** planning applications with 30 housing schemes and 6 offices approved and received **£6.7m** in Community Infrastructure levy and **£18.6m** received in S106 payments which funded total of 111 projects.

**10,800** children visited **children's centre**



**4,093** residents received **long term support**



Recycled **26.7%** of household waste



Facilitated **18 clean-up** days involving **143** residents



**374,451** people attended **116** community events



Employed **120** apprentices with **36** places as part of social value on contracts



Provided **4,868,764** number of **free school meals**



**2,058,943** visits to the **leisure centres**



Cleaned over **6,980 kilometres** of streets every week



**2,082** households found temporary accommodation



**Financially supported 413** projects with **£3.12m** in mainstream grants, **£509,731** to **109** projects that support art and sports and **£60,981** to **11** projects to improve community relations



**7,172** children attended **holiday childcare scheme**



**1,930,406** visits to the idea stores



**93,535** meals provided to **older residents**



**1,361** food safety inspections carried out



**1,476** Fixed Penalty Notice for littering and other street offences



**2,526,455** people visited the council's website





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call 020 7364 4389  
or email [communications@towerhamlets.gov.uk](mailto:communications@towerhamlets.gov.uk)

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<b>Cabinet</b>  7 February, 2017	 <b>TOWER HAMLETS</b>
<b>Report of:</b> Graham White, Acting Corporate Director of Law, Probity and Governance and Corporate Director Denise Radley, Corporate Director, Health, Adults and Communities	<b>Classification:</b> Unrestricted
Report of the Overview and Scrutiny Committee: Delivering the Prevent Duty: Promoting Safeguarding in Tower Hamlets Scrutiny Review Report	

<b>Lead Member</b>	<b>Cllr Shiria Khatun</b>
Originating Officer(s)	Gulam Hussain, Corporate Strategy and Equality
Wards affected	ALL
<b>Community Plan Theme</b>	<b>A Safe and Cohesive Community</b>
Key Decision?	No

### Executive Summary

This report submits the report and recommendations of the scrutiny review of the delivery of the Prevent Duty in Tower Hamlets by the Overview and Scrutiny Committee (OSC), and the action plan for implementation.

### Recommendations:

The Mayor in Cabinet is recommended to:

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

## **1. REASONS FOR THE DECISIONS**

- 1.1 The Council's constitution requires the Executive to respond to recommendations from the Overview and Scrutiny Committee. The action plan within this report outlines the Executive response to the 13 recommendations arising from the review.

## **2. ALTERNATIVE OPTIONS**

- 2.1 To take no action. This is not recommended as the proposed recommendations are strategic, measurable and attainable. A timetable for delivering the recommendations has also been agreed by the Prevent Operational Working Group (POWG) and Officers at the most senior levels of the organisation. The action plan is outlined in Appendix Two.
- 2.2 To agree some, but not all recommendations. All of the recommendations are achievable at little additional cost to the organisation.

## **3. DETAILS OF THE REPORT**

- 3.1 This report submits the report and recommendations of the scrutiny review of the delivery of the Prevent Duty in Tower Hamlets by the Overview and Scrutiny Committee (OSC), and the action plan responding to the recommendations.
- 3.3 Tower Hamlets has one of the fastest growing populations in London and is expected to be one of the fastest growing local authorities in England over the next ten years. The borough is home to young and ethnically and religiously diverse population. Figures from the 2011 Census showed that only 31% of the total population identified as 'White British' whilst mid-year estimates from the ONS for 2015 suggests 72% of the of the local population is aged 39 and under.
- 3.4 Since 2015, as part of the Counter-Terrorism and Security Act, all public bodies, including local authorities and other responsible authorities such as schools and health services have been under a Duty to have 'due regard to the need to prevent people from being drawn into terrorism. Tower Hamlets is currently designated by the Home Office as a Tier 1 borough, representing the highest perceived risks of extremism. To ensure all Tier 1 boroughs are adequately supported, the Home Office provides additional funding to challenge extremist narratives and support communities to develop resilience through funded projects as well to support staffing arrangements.
- 3.4 The youthful composition of the borough, coupled with the increasingly sophisticated deployment of the web and social media by organisations

such as Daesh<sup>1</sup>, has presented new challenges for the borough. In February 2015, the borough drew national attention when three students from the Bethnal Green Academy fled the country to travel to Syria emulating steps taken by a student from the same school the previous year. A further five teenage girls had travel bans imposed by the courts in March 2015 at the request of the Council in response to this event.

- 3.6 In addition to radical Islamist groups, far right organisations, such as the English Defence League (EDL) and Britain First, have held protests in the borough to cause disruption and undermine cohesion in the borough. Britain First has organised a number of unannounced visits to the borough to demonstrate outside landmarks such as the East London Mosque and actively incite negative reactions for promotional purposes. Their attempts to cause disruption in the borough have been managed through the positive partnership working led through the Council, police, Tower Hamlets Interfaith Forum and the East London Mosque; however the inability to predict future visits presents an ongoing challenge.
- 3.7 The Prevent Strategy and Duty is however an area of sensitivity with concerns arising from a range of sectors criticising the policy for potentially restricting the freedom of speech and the disproportionate impact on Muslim youth. These concerns have been exacerbated by a range of stories covered in the media suggesting that guidance around the Duty is inadequate and the impact on young people is harmful.
- 3.8 The aim of the scrutiny review was therefore to explore ways in which the Council and its partners can enhance safeguarding mechanisms and promote greater community resilience to overcome challenges presented by extremism whilst minimising any negative impact on cohesion in the borough.
- 3.9 The review was chaired by Cllr John Pierce, Chair of the Overview and Scrutiny Committee over the course of six sessions throughout March and April 2016. Sessions were held across a number of sites including the Town Hall, Morpeth Secondary School and Birmingham City Council. The review was underpinned by three core questions:
  - a) How does our approach to delivering the Prevent Duty impact on young people?
  - b) Does our approach appropriately reflect the priorities in Tower Hamlets?
  - c) What have been the challenges in meeting our obligations under the Duty?

---

<sup>1</sup> In December 2015, the UK Government committed to referring to the organisation also known as ISIL, Islamic State, or ISIS as Daesh. The term, an abbreviation of the formal name in Arabic of the 'Islamic State in Iraq and Shaam (Syria)', is also a play on words in that language and is considered offensive by members of the organisation.

- 3.10 In July 2015, the Government appointed Dame Louise Casey to lead a review into opportunity and integration in isolated communities. The review, published in December 2016, makes a number of recommendations on issues related to integration and tackling extremism in communities. The report in particular highlights the higher levels of residential and school segregation seen in Bangladeshi and Pakistani communities and notes that these groups are disadvantaged across a wider range of socio-economic factors. These disadvantages contribute to a lack of integration and can facilitate extremists, both 'Islamists' and those on the far right to promote narratives of hate and division.
- 3.11 The findings of this report are likely to have an impact on future Government policy and the scope of the recommendations made by the Overview & Scrutiny Committee. Responses to the recommendations will be revised and amended as required once further details on policy proposals are made available.
- 3.12 In light of the Casey Review on Integration, a discussion paper will be developed in early 2017 setting out the key aspects of the Casey review and areas that the council may wish to consider focusing on. The Casey Review will be one of a number of policy factors considered in focusing 2017-18 on work to develop the future direction and model of addressing social cohesion, including integration, through a Cohesion strategy for the borough.
- 3.13 The report with recommendations is attached as Appendix 1. 13 recommendations across 3 themes have been made:

### **Safeguarding Young People**

- » **Recommendation 1:**  
The Community Safety Service should continue to work in partnership with the voluntary and community sector to expand their work on promoting a better understanding of safeguarding risks presented by online and social media, and how to stay safe online, through the use of digital champions embedded across the voluntary and community sector.
- » **Recommendation 2:**  
The Council should consider imposing requirements on MSG and other grant funded and commissioned organisations working with young people to obtain relevant safeguarding training.
- » **Recommendation 3:**  
The Youth Service should;
- Build on their current work to develop a curriculum to provide a structured programme of development for young people;
  - Explore ways to support young people at risk of isolation;

- Develop, in partnership with Community Safety, a peer education programme to develop young leaders capable of promoting safeguarding and cohesion within their peer groups.
- » **Recommendation 4:**  
The Learning & Achievement Service should work with schools and commissioned providers of interfaith work in schools to support the creation of safe spaces for young people to promote debate and critical discourse.
- » **Recommendation 5:**  
The Council should continue to engage local citizens, in particular young people, in the shaping of plans and commissioning of services aimed at promoting safeguarding and undermining the risks of people being drawn in to terrorism, the support of terrorism or violent extremism.

### **Promoting Cohesion in Tower Hamlets**

- » **Recommendation 6:**  
The Learning & Achievement Service should build on existing work to support schools in promoting equality and diversity, cohesion and critical thinking skills through the school curriculum and help them explore further opportunities to do this outside the curriculum.
- » **Recommendation 7:**  
The Council should exploit all commissioning opportunities to;
- Develop greater community leadership to promote and celebrate diversity; and to build resilience to challenges to community cohesion
  - Ensure its approach to the commissioning of cohesion activities strengthens engagement across all communities in the borough and provides a platform for sustained interaction between communities.
- » **Recommendation 8:**  
The Learning & Achievement Service should continue to promote the UNICEF Rights Respecting Schools Award to improve uptake across schools in the borough.
- » **Recommendation 9:**  
The Council should ensure the use of language across services and commissioned partners is consistent and compliant with the objective to promote community cohesion. This should include appropriate use; distinguishing between faith and ideology, avoiding objectification of groups or communities and greater clarity in describing risks/threats i.e. *“people being drawn into terrorism, the support of terrorism or violent extremism”* or *“increasing risk of travel to conflict zones including Syria and Iraq”* as opposed to using more general terms such as ‘radicalisation’.

» **Recommendation 10:**

The Communications Service should adopt a more proactive approach to promoting cohesion through a borough wide campaign which celebrates our history, diversity and resilience to adversity. This should include opportunities for resident involvement to promote the borough and a greater role within the Prevent Delivery Plan.

**Developing Leadership around Prevent**

» **Recommendation 11:**

Elected Members should be further supported to understand and comply with Sections C and E of the 2015 Prevent Duty Guidance, including:

- Dissemination of intelligence information to designated elected members in line with section C of the Prevent Duty Guidance;
- Guidance and training tailored for elected Members to enable them to understand their role in the Duty;
- Further consideration to the role of elected Members in the management of consequences following any local incidences.

» **Recommendation 12:**

The Council should progress work to promote greater collaborative working on Prevent and Safeguarding across the East London region. This should include work to promote greater consistency across the delivery of the Prevent Duty and sharing of appropriate intelligence across officers and elected Members.

» **Recommendation 13:**

The Council should take steps to promote an organisational culture which includes a focus on safeguarding and civic responsibility. This should also include consideration for rolling out appropriate e-learning modules for all staff to promote an understanding of the risks of being drawn into the support of terrorism.

3.14 These recommendations were considered by the Prevent Operational Working Group, a multi-agency partnership group which aims to improve co-ordination and co-operation on areas linked to Prevent on 25th October 2016. The group has led on coordinating service responses to the recommendations.

**4. COMMENTS OF THE CHIEF FINANCE OFFICER**

4.1 The report details a number of recommendations for safeguarding young people, promoting cohesion in Tower Hamlets and developing leadership around Prevent. The financial implications of the recommendations will need to be considered and assessed as part of



the Council's outcome based budgeting approach and 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 which ensure the committee has specified powers. Consistent with that 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, as appropriate, in connection with the discharge of any functions. It is consistent with the Constitution and the statutory framework for the Mayor in Cabinet to be asked to agree the action plan.
- 5.2. There are thirteen (13) recommendations across three (3) themes and all are within the legal capacity of the Council to carry out.
- 5.3. Section 26 of the Counter-Terrorism and Security Act 2015 ('the Act') placed the Government's existing Prevent strategy on a statutory basis, placing a duty on the Council, and well as schools and childcare providers, in the exercise of their existing functions, to have "due regard to the need to prevent people from being drawn into terrorism". The Prevent Strategy Guidance ('the Guidance') was issued on 1 July 2015 under section 29 of the Act, and the Council must have regard to the Guidance when carrying out its Prevent duty. The Guidance sets out that being drawn into terrorism includes not just violent extremism but also non-violent extremism, which can create an atmosphere conducive to terrorism and can popularise views which terrorists exploit.
- 5.4. The Guidance sets out that compliance with the Prevent duty requires the Council to engage in multi-agency partnership working, provide training for staff and relevant third party agency and develop a Prevent Action Plan to address risk in its area.
- 5.5. The Council's functions in relation to children include a duty under section 11 of the Children Act 2004 to make arrangements to ensure that its functions are discharged having regard to the need to safeguard and promote the welfare of children. Section 10 of the Act also requires the Council to make arrangements to promote cooperation between its safeguarding partner agencies including schools, the police, probation services and the youth offending team. Further, the Council has a duty to make enquiries under section 47 of the Children Act 1989 if they have reasonable cause to suspect that a child is likely to suffer significant harm, to enable them to decide whether they should take any action to safeguard and promote the child's welfare.

- 5.6. Schools have existing duties to forbid political indoctrination and secure a balanced presentation of political issues. These duties are imposed on maintained schools by sections 406 and 407 of the Education Act 1996. Additionally, section 175 of the Education Act 2002 places a duty on schools to ensure that their functions are discharged with regard to the need to safeguard and promote the welfare of children.
- 5.7. When considering sharing personal information, the Council must comply with its duties under the Human Rights Act 1998, Data Protection Act 1998, and the common law duty of confidentiality.
- 5.8. When planning Prevent strategies, 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). Some form of equality analysis will be required which is proportionate to the proposed action.

## **6. ONE TOWER HAMLETS CONSIDERATIONS**

- 6.1 The core focus of this review is on the Council's approach to delivering the Prevent Duty without having a negative impact on cohesion in the borough. The review makes a number of recommendations to support the borough to become more cohesive through greater community leadership opportunities for local people and elected members, strengthening engagement with local people and community organisations and working collaboratively with partner organisations.

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

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

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

- 8.1 There are no direct risk management 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 The scrutiny review and its recommendations seek to ensure that the Council has in place appropriate mechanism to support the effective

delivery of the Prevent Duty and safeguard residents in the borough from the risks of being drawn in to extremism. This is intended to support a reduction in the number of local people involved in crime and disorder.

## **Linked Reports, Appendices and Background Documents**

### **Linked Report**

- None

### **Appendices**

- Appendix 1 – Prevent Scrutiny Report
- Appendix 2 – Action Plan

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

- None

### **Officer contact details for documents:**

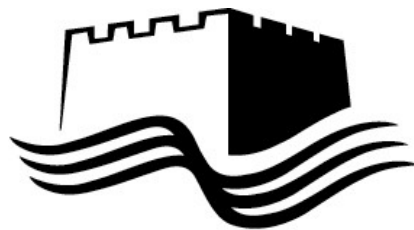
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**APPENDIX 1**

**Delivering the Prevent Duty;  
Promoting Safeguarding in Tower Hamlets**

**Scrutiny Review Report**



**TOWER HAMLETS**

**September 2016**

## **Chair's Foreword**

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In 2015, the Government's Counter-Terrorism and Security Act introduced a duty on councils to prevent people from being drawn into terrorism or violent extremism. It's rare that our scrutiny committee looks at an issue of such local, national and international significance. This is the case for the 'Prevent Duty' and its implementation in Tower Hamlets, which can and has had international significance.

Right-wing or left-wing, religious or secular, nationalist or internationalist, all forms of terrorism or violent extremism come under the 'Prevent Duty' as they all seek to challenge our way of life and undermine cohesion in our communities.

Tower Hamlets is a priority area under the duty and so it's right that scrutiny members, on behalf of local residents, understand what the Council and our partners are doing to deter people away from terrorism and violent extremism.

Tower Hamlets Council has strong reputation for its work in this area, particularly in the way it has embedded the required safeguarding mechanism under the duty into its existing safeguarding arrangements. The evidence we saw supports this view. And yet there is always more that can be done to ensure that we are greater than the sum of our parts and that we empower our local communities and their elected representatives to be at the heart of what we do.

This report makes 13 recommendations on how the Council and our partners can add value to what is already happening under the 'Prevent Duty'. Our recommendations cover three themes of:

- Safeguarding young people
- Promoting cohesion in Tower Hamlets
- Developing leadership around Prevent

Our recommendations were developed following discussions over five sessions. Three additional co-opted members, Sarah Castro, Rob Faure-Walker and Dr Farid Panjwani, participated in our review bringing their academic knowledge, hands on experience of working with communities on cohesion and understanding of the impact of counter-terrorism policies on communities to our discussions. I would like to thank them, our elected members and all of the participants in this review. In particular Birmingham City Council who hosted us for a joint scrutiny session and to the young people from our local schools who participated in a facilitated discussion on the impact of the prevent agenda.

**Councillor John Pierce**

## **Summary of Recommendations**

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### **Safeguarding Young People**

#### **Recommendation 1:**

The Community Safety Service should continue to work in partnership with the voluntary and community sector to expand their work on promoting a better understanding of safeguarding risks presented by online and social media, and how to stay safe online, through the use of digital champions embedded across the voluntary and community sector.

#### **Recommendation 2:**

The council should consider imposing requirements on MSG and other grant funded and commissioned organisations working with young people to obtain relevant safeguarding training.

#### **Recommendation 3:**

The Youth Service should;

- Build on their current work to develop a curriculum to provide a structured programme of development for young people;
- Explore ways to support young people at risk of isolation;
- Develop, in partnership with Community Safety, a peer education programme to develop young leaders capable of promoting safeguarding and cohesion within their peer groups.

#### **Recommendation 4:**

The Learning & Achievement Service should work with schools and commissioned providers of interfaith work in schools to support the creation of safe spaces for young people to promote debate and critical discourse.

#### **Recommendation 5:**

The council should continue to engage local citizens, in particular young people in the shaping of plans and commissioning of services aimed at promoting safeguarding and undermining the risks of people being drawn in to terrorism, the support of terrorism or violent extremism.

### **Promoting Cohesion in Tower Hamlets**

#### **Recommendation 6:**

The Learning & Achievement Service should build on existing work to support schools in promoting equality and diversity, cohesion and critical thinking skills through the school curriculum and help them explore further opportunities to do this outside the curriculum.

#### **Recommendation 7:**

The council should exploit all commissioning opportunities to;

- Develop greater community leadership to promote and celebrate diversity; and to build resilience to challenges to community cohesion
- Ensure its approach to the commissioning of cohesion activities strengthens engagement across all communities in the borough and provides a platform for sustained interaction between communities.

**Recommendation 8:**

The Learning & Achievement Service should continue to promote the UNICEF Rights Respecting Schools Award to improve uptake across schools in the borough.

**Recommendation 9:**

The council should ensure the use of language across services and commissioned partners is consistent and compliant with the objective to promote community cohesion. This should include appropriate use; distinguishing between faith and ideology, avoiding objectification of groups or communities and greater clarity in describing risks/threats i.e. *“people being drawn into terrorism, the support of terrorism or violent extremism”* or *“increasing risk of travel to conflict zones including Syria and Iraq”* as opposed to using more general terms such as ‘radicalisation’.

**Recommendation 10:**

The Communications Service should adopt a more proactive approach to promoting cohesion through a borough wide campaign which celebrates our history, diversity and resilience to adversity. This should include opportunities for resident involvement to promote the borough and a greater role within the Prevent Delivery Plan.

**Developing Leadership around Prevent****Recommendation 11:**

Elected Members should be further supported to understand and comply with Sections C and E of the 2015 Prevent Duty Guidance, including:

- Dissemination of intelligence information to designated elected members in line with section C of the Prevent Duty Guidance;
- Guidance and training tailored for elected Members to enable them to understand their role in the Duty;
- Further consideration to the role of elected Members in the management of consequences following any local incidences.

**Recommendation 12:**

The council should progress work to promote greater collaborative working on Prevent and Safeguarding across the East London region. This should include work to promote greater consistency across the delivery of the Prevent Duty and sharing of appropriate intelligence across officers and elected Members.

**Recommendation 13:**

The council should take steps to promote an organisational culture which includes a focus on safeguarding and civic responsibility. This should also include consideration for rolling out appropriate e-learning modules for all staff to promote an understanding of the risks of being drawn into the support of terrorism.



## 1. Introduction

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- 1.1 The London Borough of Tower Hamlets has one of the fastest growing populations in London and is expected to be one of the fastest growing local authorities in England over the next ten years.
- 1.2 The borough is home to an ethnically diverse population and, based on the 2015 mid-year population estimates from the Office for National Statistics, has a high proportion of young people with 48% aged 20-39. Figures from the 2011 Census showed only 31% of residents identified themselves as 'White British' and Islam was identified as the largest faith within the borough.
- 1.3 Although the borough has seen significant growth the 2015 Indices of Deprivation suggest that despite some improvements, the borough continues to be within the top 10 most deprived areas in England.<sup>1</sup>
- 1.4 The 2015/16 Annual Residents Survey showed that views about cohesion in the borough remain positive, with 87% of residents surveyed agreeing that the local area is a place where people from different backgrounds get on well together.
- 1.5 The Home Office has designated Tower Hamlets as a Tier 1 borough, representing the highest perceived risks of extremism. To ensure all Tier 1 boroughs are adequately supported, the Home Office provides additional funding to challenge extremist narratives and support communities to develop resilience through funded projects as well as to support staffing arrangements.
- 1.6 In addition to drawing the attention of radical Islamist groups, since 2010 the borough has attracted the attention of far right organisations such as the English Defence League (EDL) and Britain First who seek to cause disruption in the borough.
- 1.7 Groups such as Britain First have organised unannounced visits to the borough to demonstrate outside landmarks such as the East London Mosque and actively incite negative reactions for promotional purposes. In March 2016, the borough received three visits from Britain First. Their attempts to cause disruption in the borough have been managed through the positive partnership working led through the council, police, Tower Hamlets Interfaith Forum and the East London Mosque; however the inability to predict future visits presents an ongoing challenge.
- 1.8 The youthful composition of the borough, coupled with the increasingly sophisticated deployment of the web and social media by organisations such as Daesh<sup>2</sup>, has presented new challenges for the borough. In February 2015, the borough drew national attention when three students from the Bethnal Green Academy fled the country to travel to Syria. The event which shook communities in the borough was swiftly surrounded by a flurry of information revealing that a student from the same school had previously travelled to

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<sup>1</sup> Based on the Index of Multiple Deprivation (IMD) Rank measure, *Indices of Deprivation*, Department for Communities, Localities and Government, September 2015

<sup>2</sup> In December 2015, the UK Government committed to referring to the organisation also known as ISIL, Islamic State, or ISIS as Daesh. The term, an abbreviation of the formal name in Arabic of the 'Islamic State in Iraq and Shaam (Syria)', is also a play on words in that language and is considered offensive by members of the organisation.

Syria in 2014. A further five teenage girls had travel bans imposed by the courts in March 2015 at the request of the council in response to this event.

- 1.9 The events in the borough coincided with national developments -the enacting of the Counter-Terrorism and Security Act 2015. The Act places a Duty on local authorities and other responsible authorities (including schools) to have 'due regard to the need to prevent people from being drawn into terrorism'.<sup>3</sup>
- 1.10 The Act has been met with vocal opposition from the education sector with organisations such as the National Union of Teachers (NUT) and the National Union of Students (NUS) criticising the implications for freedom of speech and the impact on cohesion. Opposition groups have expressed concerns over the impact on young people, in particular the risk for disproportionately targeting Muslim youth and the implications for free speech. These concerns have been exacerbated by a range of stories covered in the media suggesting that guidance around the Duty is inadequate and the impact on young people is harmful.
- 1.11 Recognising the national and local context, the aim of the review was to explore the approach taken by the council to deliver the Prevent Duty and influence its delivery by other responsible authorities and its impact on young people.
- 1.12 The review was underpinned by three core questions:
  - a) How does our approach to delivering the Prevent Duty impact on young people?
  - b) Does our approach appropriately reflect the priorities in Tower Hamlets?
  - c) What have been the challenges in meeting our obligations under the Duty?
- 1.13 The review was chaired by Cllr John Pierce, Chair of the Overview and Scrutiny Committee, over the course of six sessions throughout March and April 2016. The sessions were held across a number of sites including the Town Hall, Morpeth Secondary School and Birmingham City Council.
- 1.14 Other members of the review panel included;

<b>Nozul Mustafa</b>	Co-opted members of the Overview & Scrutiny Committee
<b>Victoria Ekubia</b>	
<b>Rob Faure-Walker</b>	Co-opted member of the Review Panel Head of Geography, Morpeth Secondary School
<b>Sarah Castro</b>	Co-opted member of the Review Panel Programme Manager, Poplar Harca

- 1.15 The review was supported by;

<b>Gulam Hussain</b>	Strategy, Policy and Performance Officer
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<sup>3</sup> Section 26 of the Counter-Terrorism and Security Act 2015

- 1.16 The panel received evidence from members of the Executive, a range of officers and experts including;

**London Borough of Tower Hamlets:**

<b>Cllr Rachael Saunders</b>	Deputy Mayor and Cabinet Member for Education & Children's Services
<b>Stephen Halsey</b>	Corporate Director, Communities, Localities & Culture
<b>Debbie Jones</b>	Corporate Director, Children's Services
<b>Nasima Patel</b>	Service Head, Children's Social Care
<b>Andy Bamber</b>	Service Head, Safer Communities
<b>Shazia Ghani</b>	Head of Community Safety
<b>Liz Vickerie</b>	Head of Support for Learning and Lead Officer for Social Inclusion
<b>Emily Fieran-Reed</b>	Service Manager, Cohesion, Engagement & Commissioning
<b>Moksuda Uddin</b>	Head of Family Support and Protection
<b>Percy Aggett</b>	Psychological Therapies & Clinical Team Lead, (CAHMS)
<b>Bill Williams</b>	Project Lead, Improving Access to Psychological Therapies
<b>Kelly Powell</b>	Head of Media, Communications Service
<b>Thomas Llewellyn-Jones</b>	Prevent Education Officer

**Metropolitan Police:**

<b>Sue Williams</b>	Borough Commander, Metropolitan Police
<b>Helen Lewis</b>	Partnerships Lead, Metropolitan Police

**SO15 Counter-terrorism Police:**

<b>Scott Pullen</b>	SO15 Local Ops Supervisor, North East (London)
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**Home Office:**

<b>Abu Ahmed</b>	Head of Training and Engagement, Home Office
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**Birmingham City Council:**

<b>Cllr Shafique Shah</b>	Cabinet Member for Inclusion & Community Safety, Birmingham City Council
<b>Cllr Zafar Iqbal</b>	Chair, Neighbourhood and Community Services Scrutiny Committee, Birmingham City Council
<b>Dr Mashuq Ally</b>	Head of Equality and Diversity, Birmingham City Council
<b>Waqar Ahmed</b>	Prevent Manager, Birmingham City Council
<b>Razia Butt</b>	Schools Resilience Advisor, Birmingham City Council

**External experts:**

<b>Sarah Soyei</b>	Head of Partnerships, Equali-teach
<b>Mike Jervis</b>	Active Change Foundation
<b>Dr Farid Panjwani</b>	Director, Centre For Research And Evaluation In Muslim Education

## 2. National Context

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- 2.1 Over the course of the last 15 years, counter-terrorism and security has played an increasingly prominent role in domestic and foreign policy considerations both in the UK and abroad.
- 2.2 Since 2003, CONTEST has been at the heart of the UK Government's approach to counter-terrorism. The CONTEST strategy incorporates four key strands, also known as the 4 P's. These are;
- Pursue: to stop terrorist attacks;
  - Prevent: to stop people becoming terrorists or supporting terrorism;
  - Protect: to strengthen protection against a terrorist attack, and
  - Prepare: to mitigate the impact of a terrorist attack.
- 2.3 The Prevent strand of the strategy focuses on three key areas which are:
- a) 'To respond to the ideological challenge of terrorism and the threat from those who promote it;
  - b) To prevent people from being drawn into terrorism and ensure that they are given appropriate advice and support;
  - c) To work with sectors and institutions where there are risks of radicalisation that we need to address.'<sup>4</sup>
- 2.4 In 2011, the Coalition Government released a revised Prevent Strategy responding to feedback from the Carlile review. The review commissioned by the Home Secretary concluded that there was also 'serious work to be done' in relation to right-wing and Northern Ireland related extremism. Incorporating feedback from the review, the revised strategy included greater recognition of all forms of terrorism and non-violent extremism, which could create environments conducive to drawing people in to terrorism or the support of terrorism.
- 2.5 "Channel" forms a key part of the Prevent strategy. The programme, first piloted in 2007 and rolled out across England and Wales in 2012, focuses on providing support at an early stage to people who are identified as being vulnerable to being drawn into terrorism. The programme uses a multi-agency approach to protect vulnerable people by:
- a) Identifying individuals at risk;
  - b) Assessing the nature and extent of that risk; and
  - c) Developing the most appropriate support plan for the individuals concerned.
- 2.6 As part of ongoing measures to strengthen counter-terrorism, in March 2015 the Government enacted the Counter-Terrorism and Security Act. This placed a new Duty on local authorities, schools and other specified authorities to prevent people being drawn into terrorism and extremism<sup>5</sup>. The Act also places a Duty on local authorities to have panels in place to support vulnerable people deemed to be at risk of being drawn into terrorism.

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<sup>4</sup> *The Prevent Strategy 2011*, HM Government, pg.7

<sup>5</sup> "Extremism" can be violent or non-violent in nature and is defined as: "vocal or active opposition to fundamental British values" and "calls for death for members of our armed forces" (Prevent Duty Guidance, 2015).

- 2.7 The “Prevent Duty” which came in to force on 1<sup>st</sup> July 2015, does not confer new functions on specified authorities, but does introduce the need to pay due regard to the Duty.
- 2.8 The associated Prevent Duty Guidance, revised in July 2015, highlights the importance of effective leadership, working in partnership and development of staff capabilities around Prevent within specified authorities. This requires elected members in addition to senior officers to be aware of and involved in risk assessment.

### **3. Delivering the Prevent Strategy in Tower Hamlets**

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- 3.1 The London Borough of Tower Hamlets is a Tier 1 Local Authority, one of seven designated priority areas identified by the Home Office within England and Wales.
- 3.2 Since 2014, the council's Community Safety team, part of the Communities Localities and Culture (CLC) directorate, has led on the strategic oversight of the prevent agenda across the organisation. This has been closely supported by the Preventing Violent Extremism (PVE) team within Children's Social Care, and the lead Social Inclusion Officer and the Prevent Education Officer within the Children's Services directorate, providing specialist support to schools and services working with young people in the borough.
- 3.3 The national Prevent Strategy is embedded in safeguarding practices and procedures across a wide range of council services. This is captured through Tower Hamlets' annual Prevent Delivery plan, which provides a framework for the full breadth of work being undertaken by both internal and external partners. These partners include Community Safety, which leads on work around Preventing Violent Extremism, Parental Engagement, Early Years Learning, Communications as well as the Police, SO15 Counter-terrorism Command and the Home Office.
- 3.4 The Home Office acts as a crucial stakeholder in negotiating and agreeing the Home Office Prevent grant allocation, which facilitates a range of community based services aimed at developing resilience, leadership and confidence within the community to challenge radical and extremist narratives. In 2015/16, the council commissioned eight projects through the grant and has secured further funding for a range of programmes for the 2016/17 financial year.
- 3.5 In addition to providing grant funding to commission work within the community, the Home Office currently funds 3.5 posts to support the delivery of Prevent work across the council. This facilitates delivery of bespoke training opportunities, including access to the Workshop to Raise Awareness of Prevent (WRAP) for organisations and individuals as well as dedicated support for maintained and independent schools to access curriculum resources and training for Safeguarding Leads and Governors in line with Ofsted and Prevent Duty requirements. The long term commitment of the Home Office to continue funding all four posts remains uncertain placing the continued delivery of all services currently being offered at risk.
- 3.6 As part of the Prevent Delivery Plan the council also integrates the raising of awareness of the risks of being drawn into terrorism or travel to Syria and Iraq across existing platforms. This includes initiatives such as the No Place for Hate Campaign, which aims to promote a co-ordinated response to hate crime, support victims and challenge prejudices; and through awareness campaigns and training aimed at tackling Violence against Women and Girls (VAWG). The council also provides training for parents as part of its Strengthening Families and Strengthening Communities programme to support parents to understand the risks and opportunities for young people to be drawn into terrorism or travel to a conflict zone as part of broader safeguarding programme.

### **Managing Referrals**

- 3.7 The delivery of the Prevent Strategy is underpinned by the Channel programme which offers a platform for multi-agency intervention for those deemed to be at risk of being drawn in to extremism. The role of the Channel programme is reinforced through the Counter-Terrorism and Security Act 2015, which sets out the duty on local authorities to have panels in place to manage referrals for interventions.
- 3.8 The London Borough of Tower Hamlets in partnership with the Home Office has developed a tailored solution which reflects the principle of 'One Tower Hamlets' found in the Council's Community Plan. This principle which emphasises the importance of promoting equality, cohesion and community leadership has informed the decision to utilise existing safeguarding structures to manage referrals rather than a separate Channel Panel. As a result Prevent casework is handled through the Safeguarding Adults Panel (SAP) and Social Inclusion Panel (SIP) which include the SO15 Counter-terrorism Police as members.
- 3.9 The work of the Safeguarding Adults Panel (SAP) and Social Inclusion Panel (SIP) also ties in with other safeguarding platforms such as the Multi-Agency Risk Assessment-Conference (MARAC), Multi-Agency Safeguarding Hub (MASH) and the London Safeguarding Children Board (LSCB) to facilitate integrated working and facilitate referrals and specialist interventions across a range of partners.
- 3.10 As Tower Hamlets is home to a diverse community with varied views on the Government's counter-terrorism policies, the use of existing mechanisms within the broader safeguarding context has allowed for a more sensitive implementation of the Prevent Strategy and has drawn on the existing strengths of safeguarding arrangements within the borough.

### **Governance Arrangements**

- 3.11 The Prevent Programme Board, chaired by the Corporate Director for Communities, Localities & Culture (CLC) operates as a distinct board with responsibility for overseeing the delivery of Prevent work and monitoring the threat from extremist organisations and groups.
- 3.12 The board meets on a bi-monthly basis and aims to:
- a) Bring together key stakeholders to contribute to the mapping and development of the local Prevent Strategy and oversee the delivery of the local Prevent Delivery Plan;
  - b) Inform development and delivery of innovative approaches to Prevent engagement;
  - c) Embed the Prevent Duty across council services and raise awareness of the Counter-Terrorism and Security Act and Prevent Duty 2015 amongst statutory, non-statutory and community organisations;
  - d) Ensure relevant staff/teams are appropriately trained and offered opportunities for continuous development;
  - e) Identify gaps in Prevent delivery and focus resources where it is needed most; and



- f) Monitor all funded Prevent projects and ensure accountability of the local Prevent budget and performance delivery.
- 3.13 Membership of the board is comprised of directors and senior officers from the council's CLC, Children's Service, Public Health and Adults Service directorates. It also includes local health partners, the Police Borough Commander and SO15 Counter-Terrorism Command, the Borough Commander for the London Fire Brigade, Probation, Chairs of the Children's and Adults Safeguarding Boards and representatives from the Home Office.
- 3.14 In addition to its membership, the board is informed by a number of bodies and steering groups which includes the Social Inclusion Panel and Safeguarding Adults Board, Violence against Women and Girls (VAWG) Steering Group, Domestic Violence Forum, London Prevent Network and the Prevent Coordinators Forum.
- 3.15 The work of the Prevent Programme Board feeds into the Community Safety Partnership Board<sup>6</sup> and the Community Safety Partnership Plan, which brings together a number of local agencies to work collaboratively to reduce crime across a partnership area (see Appendix 1).

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<sup>6</sup> The Crime and Disorder Act 1998, places a duty on key bodies to work together to reduce crime. The Act recognises that partnership working is likely to have a greater impact on crime and specifies that responsible bodies must work together.

## **4. Safeguarding Young People**

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### **Combating online radicalisation**

- 4.1 Tower Hamlets is designated as a Tier 1 authority in England and, according to the National Counter-terrorism Police (NCTP) generates one of the highest number of referrals to the police. The extensive use of a wide range of communication platforms in the English language by extremists to radicalise others, underpinned by sophisticated marketing (in particular the use of social media) presents a new and difficult challenge locally and nationally. The reach and power of social media was exemplified by the events of February 2015 which saw three students from the Bethnal Green Academy depart for Syria. However, a number of other students in Tower Hamlets have been prevented from doing so following interventions led by the council and supported by partners including local schools, the police and courts.
- 4.2 The students from the Bethnal Green Academy reflected a national trend of increasing numbers of young females attempting to travel to Syria and Iraq. However, focusing on young people outside of the usual domain of vulnerability makes detection and intervention harder for the responsible authorities. The Metropolitan Police's Internet Referral Unit suggests that on average 1,000 websites promoting extremist content are removed on a weekly basis, with approximately 800 originating in or linked to Syria.
- 4.3 Progress has been made to develop a strategic response to the risks of online encouragement to support or participate in terrorism. This includes positive work being led by the council's Parental Engagement Team, working with parents, to raise awareness and a number of projects delivered using Home Office funded grants to work across this area within schools. Work led by both the Home Office grant funded providers and the Parental Engagement Team is expected to continue throughout 2016/17. This has been supported by cyber safety work delivered by the Anti-bullying Advisor. Despite the positive initiatives, members of the panel recognise that much of the existing work has been centred on schools and parents and does not go far enough to reach out to harder to reach communities and those not engaged with formal structures such as schools, libraries and other council services. More work is needed to promote awareness across the council, the voluntary and community sector and the wider community to broaden the reach of this area of work.
- 4.4 The review panel noted the opportunity to further develop capacity within the voluntary and community sector and support the work of council services around promoting digital inclusion and online safeguarding, Members of the review panel believe the Digital Champions model, employed widely across the public and private sectors, would provide a cost effective model to support an increased awareness of online safeguarding, particularly in relation to the risk of young people being drawn in to support terrorism. The model which relies on volunteers being trained to act as Digital Champions to support people in learning basic ICT skills and understanding online safety would build on the existing groundwork laid down by the council with a range of partners including the voluntary and community sector as part of its Digital Inclusion Strategy.

### **RECOMMENDATION 1:**

The Community Safety Service should continue to work in partnership with the voluntary and community sector to expand their work on promoting a better understanding of safeguarding risks presented by online and social media, and how to stay safe online, through the use of digital champions embedded across the voluntary and community sector.

### **Supporting Schools**

- 4.5 The approach of the council in providing support packages to schools is underpinned by promoting community cohesion and the Prevent Duty as part of a wider safeguarding agenda.
- 4.6 As part of its support package, the council offers the Workshop to Raise Awareness of Prevent (WRAP) training for Safeguarding Leads and Governors in all schools as well as policy guidance and checklists to support the development of effective internal processes. Whilst this has been rolled out across all maintained secondary schools and most schools in the free and independent school sector, more work is required to cover all primary and early years settings in the borough.
- 4.7 In addition to training and policy guidance, through the post of the Prevent Education Officer, the council has also developed a range of curriculum resources and mapping tools to support schools in ensuring their curriculum reflects Ofsted requirements, particularly in relation to promoting 'British Values'. Schools also have access to tailored assemblies tackling issues around cohesion and extremism as well as support for peer education programmes to develop student led narratives on the risks of being drawn into the support of terrorism.
- 4.8 Support for schools accelerated throughout 2015 following a series of Ofsted inspections in October 2014. The inspections affected six independent Muslim faith schools and a Church of England School and followed a wider review of school governance in Birmingham<sup>7</sup>. The findings published in November 2014 concluded that all the schools were 'inadequate' citing failures around safeguarding primarily in relation to the risks of young people potentially being drawn into terrorism or the support of terrorism or potentially seeking to travel abroad to conflict zones.
- 4.9 The programme of support offered by the council has seen schools in Tower Hamlets develop their confidence and ability to effectively identify and handle concerns through internal processes, seeking advice as appropriate without requiring a formal referral to the Social Inclusion Panel (SIP). An evaluation of the support offered to schools has shown that services are well received with most areas of support being scored four out of five (on a scale of 1 = poor and 5 = excellent.).

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<sup>7</sup> In March 2014, the Secretary of State for Education directed Ofsted and the Education Funding Agency to launch an investigation into 21 schools in Birmingham. This was in response to allegations of an attempted Islamist takeover and imposition of an Islamic ethos which included gender segregation and failure of the council to recognise this over a number of years. Commonly referred to as Operation Trojan Horse or 'Trojan Horse' in the media, in March 2016 the Education Commissioner for Birmingham, Sir Mike Tomlinson, announced a ban on its use within the city citing the term to be 'unhelpful' to schools and the city.

- 4.10 Whilst the support offered to schools has delivered positive results, this needs to be sustained to ensure schools maintain effective processes and demonstrate robustness to external inspection. Maintaining this level of support however is challenging due to the lack of additional funding from the Home Office to cover the existing support arrangements and no immediate prospect of extending capacity to accelerate progress. At present the post of the Prevent Education Officer is funded by the Home Office with the council allocating additional resources from the Cohesion and Special Educational Needs (SEN) budgets.
- 4.11 Uncertainty over the long term commitment of the Home Office to continue funding this area of work, coupled with the financial pressures faced by local government, could result in this area of work being scaled back in the future. Recognising the uncertainties over resourcing and the importance of this area of work, members of the panel were keen to ensure that the council should continue supporting schools to develop safeguarding systems and processes, and promote cohesion.

### **Promoting Safeguarding in the Community**

- 4.12 Since its introduction, the Prevent Strategy has sparked intense debate over its contribution to the UK's security and its impact on communities. In April 2016 the strategy drew criticism from the UN Special Rapporteur on the rights to freedom of peaceful assembly and of association suggesting the policy risked promoting extremism rather than countering it. The strategy was criticised for creating "unease and uncertainty around what can be legitimately discussed in public" and "risked dividing, stigmatising and alienating segments of the population."<sup>8</sup>
- 4.13 Recognising the contentious nature of the policy, implementation of the Prevent Strategy in Tower Hamlets has been tailored to recognise the local context and deliver a robust response within the framework of promoting community cohesion. This approach recognises concerns around the limited focus of the initial iterations of the Prevent Strategy which were centred on tackling Islamist extremism, the status of the borough as home to one of the largest Muslim populations in the UK and the potential implications for cohesion and resilience the borough.
- 4.14 As part of this process the council has utilised the national guidance regarding the formation of a Channel Panel to integrate with existing safeguarding mechanisms such as the Social Inclusion Panel (SIP) and the Safeguarding Adults Panel (SAP) to manage Prevent referrals. This approach, instituted with agreement from the Home Office, has facilitated Prevent concerns to be addressed in the context of wider social, physiological and safety factors whilst also enabling greater reach within the community.
- 4.15 Despite implementing the Prevent Strategy within the wider safeguarding context, there can be a challenge of promoting an understanding of preventing people from being drawn into terrorism, or the support of terrorism, as a safeguarding issue that cuts across all ages, organisations and communities. Although the council has developed guidance for parents and carers delivered through the Parental Engagement Team, more work is

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<sup>8</sup> Gayle, D., 'Prevent strategy 'could end up promoting extremism'', The Guardian, 21<sup>st</sup> April 2016

necessary to challenge misconceptions and promote awareness of how to safeguard against young people seeking to travel abroad for the purposes of terrorism and their exposure to extremist narratives.

- 4.16 In 2015/16, of 2,500 children known to the Children's Social Care Service, approximately 70 cases included issues of extremism. This is an area of growth, driven in part by a better understanding on the part of the local authority in identifying those at risk. Nationally the borough has received recognition for its pioneering use of the courts to safeguard those deemed at risk.
- 4.17 Amongst the challenges faced by the local authority, increasing numbers of young people being home educated is an emerging area. With limited powers of intervention when a child is home schooled, safeguarding young people who do not otherwise trigger social care processes and who may be sometimes be exposed to extremist narratives requires the development of more specialist understanding around interventions and the use of the court system in appropriate cases. Steps have already been taken to develop a specialist team within the Children's Social Care Service.
- 4.18 The extensive network of voluntary and community sector providers offering supplementary education and recreational activities for young people, often grant funded through the council, were acknowledged as important partners for promoting greater awareness of the risks of young people being drawn in to the support of terrorism. As well as playing a key role in promoting awareness within the community, the sector could play an important role in identifying young people at risk, particularly those operating outside of formal areas of interaction. As much of the existing work pursued by the council relates to schools, there is potential benefit from delivering more training and developing safeguarding systems across voluntary and community sector providers within the borough.
- 4.19 Existing arrangements for the award of Mainstream Grants to organisations working with young people require organisations to have up to date child protection policies and staff to have DBS clearances and be properly qualified and competent in relation to delivering the services in question. The requirements however do not stipulate minimum levels of safeguarding training required for all members of staff or require organisations to have a Designated Safeguarding Officers (DSO) with higher levels of training to serve as points of contact for staff within an organisation when concerned about the welfare of a child.
- 4.20 As part of the process of embedding the Prevent Duty across the council and the voluntary and community sector, work is being progressed to ensure the council's corporate safeguarding policy encompasses Prevent and that this is reflected across all grant and commissioning processes. The WRAP training is currently publicised and has been made available to a number of commissioned providers; however grant organisations are not currently required to undertake this training.

## **RECOMMENDATION 2:**

The council should consider imposing requirements on MSG and other grant funded and commissioned organisations working with young people to obtain relevant safeguarding training.

- 4.21 The Tower Hamlets Local Safeguarding Children's Board (LSCB) currently offers safeguarding training opportunities to council partners and independent organisations with costs for sessions ranging from £50-110. This is supplemented by the WRAP training programme delivered through the Community Safety Service, the costs of which are currently met through Home Office funding. Recognising the challenges to local government finances and the existing levels of resources provided by the Home Office, members of the review panel stressed the importance of continuing to offer training for free or where necessary at an appropriately subsidised rate to ensure the costs of accessing training does not limit access for voluntary and community sector organisations.

### **Empowering young people**

- 4.22 When exploring research on pathways and developing resilience, the panel heard evidence that suggests access to a strong humanities curriculum plays an important role in developing resilience within young people. Research which involved men and women of Pakistani and Bangladeshi origin living in the UK also suggested there was a correlation between extremist sympathies and those who were young, in full time education, relatively socially isolated and with a tendency towards depressive symptoms.<sup>9</sup>
- 4.23 Reflecting on the evidence, members of the review panel agreed that the Youth Service, through an effective universal offer, has an important role in promoting the development of resilience and critical thinking skills whilst also tackling isolation. This is best achieved through access to a structured curriculum embedded within the recreational programmes offered by the Youth Service.
- 4.24 Recognising the shortcomings within the previous Youth Service approach, the council has already taken steps to adopt an interim model due to come in to effect as of summer 2016 paving the way for a more permanent redesign. The interim model, which maintains existing levels of staffing and funding, expects to offer a wider range of services for young people whilst continuing to provide the Duke of Edinburgh Awards programme to support young people in their development.
- 4.25 As part of its examination of the impact of the Prevent Duty on young people, the review commissioned a workshop involving students from three secondary schools across the borough. Findings from the workshop indicate that young people recognise the need for work to raise awareness of risks of being drawn into terrorism or the support of terrorism. They also view many of the initiatives driven by the council positively. This included positive feedback

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<sup>9</sup> Bhui, K., 'Extremism's False Trail', New Scientist, April 2015

on school assemblies and some of the small-scale peer education work supported through the post of the Prevent Education Officer.

- 4.26 Feedback from the workshop indicates that although the council has facilitated peer-led work to promote awareness of the risks of young people being drawn in to the support of terrorism, there is a strong demand for a wider programme. Young people recognised peer led approaches to have a wider reach and stronger influence on thinking. Previous applications of this approach within the Youth Service to promote smoking cessation had shown peer-led programmes to be more effective in shaping attitudes than more traditional campaigns.
- 4.27 The experience of successfully leading peer education programmes, coupled with the ongoing work to redesign the Youth Service offer, presents an opportunity to embed Prevent related work as part of the broader safeguarding agenda and support compliance with the Prevent Duty. This would build on some of the existing work with young people delivered as part of the council's No Place for Hate Campaign and offer an opportunity to develop a mechanism to capture young people who may not be reached, or cannot be accommodated, through the programmes commissioned through Home Office grant funding.

**RECOMMENDATION 3:**

The Youth Service should;

- Build on their current work to develop a curriculum to provide a structured programme of development for young people;
- Explore ways to support young people at risk of isolation;
- Develop in partnership with Community Safety, a peer education programme to develop young leaders capable of promoting safeguarding and cohesion within their peer groups.

- 4.28 Whilst positively receiving the work led by the council, students also highlighted the unease and inconsistencies in approach across schools on issues related to the accommodation of faith. This includes recognising the importance of providing segregated spaces for worship as well as promoting clear 'safe spaces' for debate.
- 4.29 The concerns expressed by young people echoes evidence provided by the independent reviewer of terrorism laws, David Anderson QC, to the Joint Select Committee on Human Rights. He suggests the implementation of the

Prevent Strategy on a national level was felt to be inhibiting free speech and discouraging teachers from tackling issues deemed controversial.<sup>10</sup>

- 4.30 Students from the Sir John Cass Redcoat Foundation School highlighted that access to chaplains within schools allowed young people to explore issues within a clearly designated 'safe space'. Being a Church of England School and one affected by the Ofsted inspections in October 2014, it has been able to draw on learning and its faith-based ethos to widen access to advice and guidance support and provide spaces for exploration. Across other schools however, students emphasised that more work is needed to ensure schools are promoting 'safe spaces' for the exploration of ideas and are better equipped to address faith related issues.
- 4.31 As part of a programme of commissioning for cohesion services, the council has commissioned RE Today to promote religious education and interfaith engagement across young people. As part of its programme of activities, the provider has facilitated a range of school visits to places of worship as well as trained Ambassadors of Faith, aged 16-18, to present to primary classes on issues related to faith and belief.

**RECOMMENDATION 4:**

The Learning & Achievement Service should work with schools and commissioned providers of interfaith work in schools to support the creation of safe spaces for young people to promote debate and critical discourse.

- 4.32 As part of its approach to promote understanding of the Prevent Strategy and encourage greater acceptance, Birmingham City Council has established a formal Prevent Community Reference Group designed to feed community views into the shaping of delivery at a local level. This is supplemented by Community Channel Panels, which together with sample case studies offers communities the opportunity to understand this area of work and the safeguarding challenges. This exercise has often shown community responses to be much firmer and stringent than that of the council and as a result has served as an important mechanism for Birmingham City Council to promote understanding of the Prevent Strategy and the threat of extremism within communities.
- 4.33 In 2015 a report commissioned by the Greater London Assembly (GLA) and the Mayor's Office for Policing and Crime (MOPAC) concluded that local authorities should actively engage with community groups, including those critical of the Prevent Strategy, and incorporate views when planning Prevent projects and shape local intelligence as part of the Counter-terrorism Local Profile (CTLP).<sup>11</sup>
- 4.34 Within Tower Hamlets it is recognised that one of the key challenges for the future is to move towards a more proactive Prevent approach which includes mechanisms for greater community involvement in the shaping of local strategies and informing delivery. Conclusions drawn from the workshop with

<sup>10</sup> Bowcott, O., 'Prevent strategy stifles debate and makes teachers feel vulnerable', The Guardian, 9<sup>th</sup> March 2016

<sup>11</sup> Ganesh, B., 'Implementing Prevent: from a community led to a Government centred approach', Faith Matters, June 2015



young people also indicated that there was strong appetite for greater involvement, particularly through established platforms such as the Youth Council, Youth Inspectors and the Young Mayor to shape delivery at a borough level. Incorporating greater engagement could help to promote ownership and ensure approaches adopted by the council better reflect needs.

- 4.35 At present the Community Safety Partnership Board, which brings together a range of stakeholders including key council partners and community and faith representatives, serves as a platform to inform and shape the work of the Prevent Board and the Prevent Delivery Plan. During 2016/17, there will be a drive to establish a more direct relationship through the establishment of community voices group to help inform and shape the Prevent Delivery Plan and in turn inform the commissioning of services. The development process for the council's Children and Families Plan which sets out how the council will support young people and families for the next three years and shapes safeguarding priorities already includes strong mechanisms for the engagement of young people and the wider community.

**RECOMMENDATION 5:**

The council should continue to engage local citizens, in particular young people, in the shaping of plans and commissioning of services aimed at promoting safeguarding and undermining the risks of people being drawn in to terrorism, the support of terrorism or violent extremism.

## 5. Promoting Cohesion in Tower Hamlets

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### Enhancing cohesion through schools

- 5.1 Since its inception, the Prevent Strategy has recognised the importance of community cohesion as an important element to developing community resilience against extremist narratives. The 2011 Prevent Strategy for England and Wales argues that a stronger sense of "belonging" and citizenship makes communities more resilient to terrorist ideology and propagandists'.<sup>12</sup>
- 5.2 As part of the Education and Inspections Act 2006, all schools in England and Wales have been under a duty to promote community cohesion. The definition of community cohesion provided in the accompanying guidance is set out as: 'working towards a society in which there is a common vision and sense of belonging by all communities; ... and a society in which strong and positive relationships exist and continue to be developed in the workplace, in schools and in the wider community.'<sup>13</sup>
- 5.3 Exploring the national context, members of the review panel noted that there is a decline in provision particularly across Key Stage 4 for subjects such as Religious Education and Personal, Social, Health and Economic Education (PSHE): these serve as key platforms for tackling issues of cohesion. Research conducted by the National Association of Teachers of RE had shown that by 2015 the exclusion of RE as contributing subject to the English Baccalaureate measure had contributed to an overall decline of 20% since 2009.<sup>14</sup> Similarly research led by the Centre for Education and Inclusion Research concluded that whilst practitioners recognise the benefits of PSHE there appears to be a decrease in provision for older students.<sup>15</sup>

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<sup>12</sup> *The Prevent Strategy*, 2011, HM Government, pg. 27

<sup>13</sup> *Guidance on the Duty to promote Community Cohesion*, Department for Education, 2007, pg. 3

<sup>14</sup> *Full course GCSE Religious Studies entries rise, but number of schools with no RS students at all is increasing*, National Association of Teachers of RE, August 2015

<sup>15</sup> Willis, B., and Wolstenholme, C., '*Personal, Social, Health and Economic Education under the Coalition Government*', Centre for Education and Inclusion Research, 2016

- 5.4 Providing evidence to the panel, officers from the council acknowledge that whilst the schools in the borough have done well to retain a high number of entries for RE GCSE, they are not immune to national trends which drive schools to maximise opportunities to secure expected outcomes across 'core' subject areas. Whilst more work could be done to promote cohesion in schools and expand the horizons of young people, the national context has meant that the number of opportunities available to engage outside of their usual contexts has declined. This is due in part to increasing academic pressures and a complex health and safety landscape that have made schools increasingly risk averse.
- 5.5 The Council has commissioned projects aimed at improving understanding of faith and belief through educational materials and school visits to places of worship. Due to commence in September 2016, the council has also commissioned the council's HEC Global Learning Centre, part of the Schools Library Service to develop innovative lesson plans and 'Train the Trainer' training materials for school councils. These will help to develop critical thinking skills and raise awareness and understanding amongst young people around issues of cohesion, equality and hate crime. This builds on work delivered through the Prevent Education Officer aimed at supporting schools to map and take stock of the delivery of cohesion and 'British values' throughout the curriculum.

**RECOMMENDATION 6:**

The Learning & Achievement Service should build on existing work to support schools in promoting equality and diversity, cohesion and critical thinking skills through the school curriculum and help them explore further opportunities to do this outside the curriculum.

- 5.6 Views of secondary school students from the 2016 Pupil Attitude Survey commissioned by the council showed that the BME student population (excluding Bangladeshi students) were more likely to disagree with the statement that young people of different backgrounds got on well together in Tower Hamlets. Feedback from the workshop for young people also highlighted concerns around cohesion, suggesting more work is required to reduce barriers and promote greater cross-cultural interaction amongst young people outside of formal settings. It was suggested that whilst people of different backgrounds respected one another, there was a need to do more to develop relationships, interaction and engagement outside of formal structures and settings.
- 5.7 Members of the review panel believe that whilst the council has invested resources to promote a vision of 'One Tower Hamlets' over a number of years, until recently much of this work has been centred around tackling inequalities and empowering and celebrating new and underrepresented communities in the borough. Whilst this work is welcome, there needs to be a focus on addressing the challenge of building communities around people with different cultural and socio-economic backgrounds and providing sustainable infrastructure to facilitate this form of engagement beyond the lifespan of any project. In light of the current pace of change within the borough, driven by the surge of development and the associated demographic changes, the panel felt that there is a need for a clear strategic

vision to guide cohesion activities in the borough. This would help ensure that barriers preventing sustained interactions between different communities in the borough can be removed.

- 5.8 The conclusion of the review panel mirrors findings from initial consultations held with stakeholders as part of the development of specifications for the commissioning of new cohesion programmes within the borough. The new proposed projects will build on some of the positive work achieved through the Mainstream Grants programme which has delivered positive outcomes in relation to improving intergenerational and cross-cultural engagement.
- 5.9 In addition to promoting cohesion through community organisations commissioned by the council, members of the review panel noted that the commissioning process could also be used to promote understanding of the Prevent Strategy, develop safeguarding practices and improve community resilience. This could also help to empower communities to develop counter narratives against those promoting extremism. In light of the recent history of the borough and the attempts by the far right and Islamist extremist groups to cause disruption and undermine cohesion, this was noted as an area of importance.
- 5.10 The council's refresh of its Voluntary and Community Sector (VCS) Strategy seeks to build on a commitment of the Community Plan to "build strong community leadership and social capital through a thriving voluntary and community sector". The VCS Strategy sets out key activities which aim to develop leadership and resilience within the voluntary and community sector through capacity building, opportunities to participate in co-production and collaborative commissioning opportunities as well as developing and promoting new ways of volunteering to promote and strengthen cohesion. The adoption of this strategy is expected to pave the way for more of the council's commissioning to support the local community to develop local leadership and promote cohesion.
- 5.11 As part of its broader commissioning approach, the council recognises the importance of securing community benefits, which can also include opportunities to develop community leadership and promote cohesion, in line with the Public Services (Social Value) Act 2012. This approach however is constrained by the need to pay due regard to the value for money being achieved as well as relevant EU Directives to ensure specifications are not anti-competitive and do not discriminate against suppliers not based locally.

**RECOMMENDATION 7:**

The council should exploit all commissioning opportunities to ;

- Develop greater community leadership to promote and celebrate diversity; and to build resilience to challenges to community cohesion
- Ensure its approach to the commissioning of cohesion activities strengthens engagement across all communities in the borough and provides a platform for sustained interaction between communities.

- 5.12 The 2011 National Prevent Strategy recommended that local authorities avoid merging Prevent and cohesion strategies to limit the risk of undermining community cohesion. Despite this, Birmingham City Council provides a distinctive example of an area where both the Prevent and cohesion strategy are intertwined. Members of the review panel noted that the city council viewed its Prevent and cohesion strategies as part of the broader equalities agenda driven by the Equality Act 2010 and this was closely linked to its vision for promoting civic leadership.
- 5.13 As part of its approach to embedding a strong cohesion and equalities programme in schools, Tower Hamlets council has worked closely with schools to deliver cultural awareness training for school leaders. This has been led by Educational Psychologists to explore development cycles and religiosity in young people to facilitate a more sensitive implementation of the Prevent Duty within schools. The council has also invested in promoting the UNICEF Rights Respecting Schools Award, offering schools an opportunity to obtain an accredited outcome. Through a funding arrangement with schools to offset the costs of a trainer, the scheme has managed to engage 127 schools as part of its initial rollout. Initial evaluation of the programme had shown the programme had a positive impact on school leadership and on young people. Although this programme has been in place in Tower Hamlets since 2011, only a third of primary schools in the borough and smaller proportion of secondary schools are actively involved with the accreditation scheme.

**RECOMMENDATION 8:**

The Learning & Achievement Service should continue to promote the UNICEF Rights Respecting Schools Award to improve uptake across schools in the borough.

**Maintaining consistency in Language**

- 5.14 The Prevent Strategy in all its revisions and accompanying guidance has maintained consistency in setting out its primary objective – to combat ‘radicalisation’. The definition of radicalisation however has evolved throughout the years, leading to some suggestions that this has contributed to confused notions of the Prevent Strategy.
- 5.15 Since 2008 the definition of ‘radicalisation’ has increasingly become synonymous with support for violence and terrorism as opposed to a distinct phenomenon. More recent definitions provided by the government, most

notably in the Educate Against Hate website, suggest 'radicalisation' is 'a process by which an individual or group comes to adopt increasingly extreme political, social or religious ideals and aspirations that (1) reject or undermine the status quo or (2) reject and/or undermine contemporary ideas and expressions or freedom of choice'.

- 5.16 This broad definition issued by the government has been criticised for failing to establish a link between extremism and violent terrorist acts and instead facilitating the labelling and marginalisation of sections of the population who adhere to orthodox or conservative religious teachings. A report published in January 2015, by the think tank Claystone, argues that "Advocacy of the official narrative on the causes of terrorism has had a significant polarising effect on public discourse in Britain"<sup>16</sup> and points to the wide body of academic research indicating that the overwhelming majority of those holding radical beliefs do not engage in violence and those engaged in violence may not necessarily hold 'radical' views. This adds to existing concerns in relation to the Prevent Strategy. In a written submission to the Home Affairs Select Committee, the independent reviewer of terrorism laws, David Anderson QC, notes that elements of the Prevent Strategy were being applied in an insensitive or discriminatory manner.<sup>17</sup>
- 5.17 Within Tower Hamlets the issue of language and possible implications for cohesion has been recognised and fed back to the Home Office and continues to be part of an ongoing process. The council has demonstrated positive examples of its ability to effectively use language when communicating complex and sensitive messages as demonstrated by some of the literature produced for schools and parents. However in some instances members of the review panel noted that the language used in discussing faith and values was inconsistent across the organisation which could undermine rather than promote cohesion.
- 5.18 Anecdotal evidence provided by members of the panel suggests that the terms 'radical' or 'radicalisation' have increasingly come to be associated with the potential for violence and is often associated with a particular community or individuals displaying increased religiosity. In light of this, continued use of terms such as 'radicalisation' fails to describe the specific risks being tackled and could harm the objectives of the Prevent Strategy locally.
- 5.19 The panel believes that language used by the council and its partners (including those from whom it commissions services) should be consistent and compliant with the objective to promote community cohesion. This includes distinguishing between faith and ideology, avoiding objectification of groups or communities, and clearly describing the specific risks or threats being tackled. An example of this would be 'people being drawn into terrorism or the support of terrorism' or 'increasing risk of travel to Syria', rather than the more vague term 'radicalisation'.

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<sup>16</sup> Kundani, A., 'A Decade Lost: Rethinking Radicalisation and Extremism', Claystone, January 2015

<sup>17</sup> 'Prevent strategy 'sowing mistrust and fear in Muslim communities'', David Batty, The Guardian, 3<sup>rd</sup> February 2016

### **RECOMMENDATION 9:**

The council should ensure the use of language across services and commissioned partners is consistent and compliant with the objective to promote community cohesion. This should include appropriate use; distinguishing between faith and ideology, avoiding objectification of groups or communities and greater clarity in describing risks/threats i.e. *“people being drawn into terrorism, the support of terrorism or violent extremism”* or *“increasing risk of travel to conflict zones including Syria and Iraq”* as opposed to using more general terms such as ‘radicalisation’.

#### **Promoting a positive image of Tower Hamlets**

- 5.20 As home to a diverse population, which also includes the largest Muslim population in the UK, the borough has received significant media attention in recent years. This has included both direct and indirect coverage, with stock imagery of key landmarks in the borough (such as the East London Mosque and the Whitechapel Market) accompanying news items around the role of faith in society, integration and counter-terrorism. More recently, the intervention by the Department for Communities and Local Government, re-run of the Mayoral elections and the events linked to Ofsted and the departure of three students to Syria has seen the borough subject to intensive coverage.
- 5.21 The Communications Services manages the interface with media organisations and supports the organisation’s reputation. The Prevent communications approach has been primarily reactive. For example, since 2014, the service has handled 48 enquires pertaining to Prevent and has on 4 occasions supported the promotion of Prevent work.
- 5.22 The service maintains a strong relationship with the Community Safety Service, which oversees delivery of Prevent work. This partnership has played an important role in supporting the council to engage with key partners, and respond to immediate threats presented by organisations such as the English Defence League and more recently Britain First.
- 5.23 Officers from the Communications Service have stated that that there is potential for the service to be at the forefront of the Prevent conversation. A new communications strategy will see the service take on a more proactive and strategic approach to communication activities and will include significant investment in campaigns to promote cohesion in the borough.
- 5.24 Referencing the example of Birmingham City Council, members of the review panel set out the approach of the council which embeds communications activity as an integral part of the delivery of the Prevent Strategy and this is included within the Prevent Delivery Plan. This includes responsibility for consequence management in response to any high profile events and a more frequent and proactive approach to promote the city in a positive light, emphasising the message of cohesion and undermining notions of communities being under siege.
- 5.25 Members of the review panel agreed that there is a need for greater communications activity to promote a strong civic identity as well support the development of community resilience. This is considered to be particularly

important for young people for whom negative coverage of the borough, driven by external sources, could contribute to a sense of grievance that could be exploited. This conclusion is also supported by analysis from the International Centre for the Study of Radicalisation (ICSR) that suggests that after stripping away all grievances and individual triggers, a crisis of identity and the lack of a sense of belonging is a common thread amongst those joining extremist groups.<sup>18</sup>

- 5.26 The 'I Love Hackney' campaign established in 2006 as a response to the designation of the area as one of the worst places to live in the UK<sup>19</sup> serves as a positive example of a successful campaign promoting pride in the local area. The campaign has been actively promoted through badges, bags and posters and used as platform to engage residents and promote improvements to local services. In 2011 the campaign also served as the focal point for uniting the community in the aftermath of the London riots. As part of the 10<sup>th</sup> anniversary, the campaign has also introduced a new civic award to recognise outstanding individuals within the local community. Members of the review panel believe that the 'I Love Hackney' campaign should serve as a model for future communication campaigns in Tower Hamlets.
- 5.27 As part of a new communications strategy developed following the review of the council's communication activities in 2015, the council has identified the need to refresh and deliver a broad campaign promoting cohesion and civic pride in the borough. This will form one of several priority campaigns throughout 2016/17 and beyond.

**RECOMMENDATION 10:**

The Communications Service should adopt a more proactive approach to promoting cohesion through a borough wide campaign which celebrates our history, diversity and resilience to adversity. This should include opportunities for resident involvement to promote the borough and a greater role within the Prevent Delivery Plan.

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<sup>18</sup> Maher, S., 'The roots of radicalisation? It's identity, stupid', The Guardian, 17<sup>th</sup> June 2015

<sup>19</sup> In 2006 the London Borough of Hackney was designated as the worst place to live in the UK by the Channel 4 programme *The Best and Worst Places to Live in the UK*



## **6. Developing Leadership around Prevent**

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### **Empowering elected representatives and Improving Collaboration**

- 6.1 As part of the new statutory Prevent Duty introduced through the Counter-terrorism and Security Act 2015, the Government devised the Prevent Duty Guidance setting out how specified authorities are to comply with the Prevent Duty. Sections C and E of the 2015 Prevent Duty Guidance set out responsibilities on local authorities and elected members to demonstrate an awareness and understanding of the risk of radicalisation in their area, institution or body.
- 6.2 Birmingham City Council has worked closely with all elected members to develop capacity and encourage the development of a political consensus on issues such as cohesion and safeguarding, including Prevent. This has been realised through strong working relations between members and officers as well as training opportunities for elected members to help them understand their roles and provide leadership. This approach has enabled the council to benefit from consistency in leadership and stability in support for this area of work across political change.

- 6.3 The establishment of a local political consensus on the issue of the Prevent Strategy alongside the reassurance of political leadership across all parties has played an important role in establishing a strong working relationship with the West Midlands Police Force. This development has been instrumental in moving towards a model which allows for restricted documents such as the Counter-Terrorism Local Profile (CTLP) to be shared (albeit in redacted form) more widely across elected members to help them to develop an awareness of the risks as set out in the Prevent Duty. The wider dissemination of this document across the council has also enabled decision-making to be better informed and ensure elected members fulfilled their Duty under the Act.
- 6.4 Birmingham City Council has also trialled models that have seen elements of the CTLP verbally briefed by members of the West Midlands Police Force across local communities to promote an understanding of risks. This approach has supported the council in dispelling myths and also encouraging community engagement.
- 6.5 Highlighting the approach of Birmingham City Council, members of the review panel identified the potential benefit of training opportunities available to elected representatives in Tower Hamlets. This would help enable local councillors to provide more effective leadership within their communities and support delivery of sections C and E of the Prevent Duty Guidance.
- 6.6 Recognising the concerns of members, officers have taken forward initiatives to provide councillor training opportunities in order to support them to improve their understanding of Prevent and their roles in relation to it. This will build upon updates on local prevalence, referrals and risk which are provided at each Prevent Board meeting which takes place bi-monthly.
- 6.7 Members of the review panel believe that training opportunities on offer to promote an understanding of the risks of people being drawn into or the support of terrorism or violent extremism should take into account specific responsibilities and levels of leadership that may be required of individuals. Whilst noting that the Home Office is currently in the process of working with the Local Government Association (LGA) to develop a programme with elected members in mind, the panel believes the council should play an active role in contributing to the development of this programme where appropriate and ensure its availability once finalised.
- 6.8 Building on its information-sharing approach, Birmingham has also put in place mechanisms to provide elected members with high-level information on police activity in hotspots. Although this does not include operational details, the approach enables members to engage with communities after events and provide reassurance.
- 6.9 Within Tower Hamlets the council maintains a strong partnership with the Metropolitan Police Service and has in place a range of platforms such as the Community Safety Partnership, Prevent Boards, Tension Monitoring Group and Cohesion Working Group which brings together police and council offers alongside other key partners. The council also has in place mechanisms which include Gold meetings to address serious incidents and regular operational meetings to ensure effective communication is in place between the council and police.

- 6.10 Officers in Tower Hamlets recognise the importance of disseminating information to elected members. For example, they have progressed work to embed this as part of a communications protocol for the Tension Monitoring Group to circulate information on significant events, such as attempts by far right organisations to cause unrest in the borough. In addition, members of the review panel did note that positive steps have been taken with the police to provide information through email to key partners including elected members. This however did not provide members with an explicit role in supporting post incident arrangements and providing reassurance to their communities.

**RECOMMENDATION 11:**

Elected Members should be further supported to understand and comply with Sections C and E of the 2015 Prevent Duty Guidance, including:

- Dissemination of intelligence information to designated elected Members in line with section C of the Prevent Duty Guidance;
- Guidance and training tailored for elected Members to enable them to understand their role in the Duty;
- Further consideration to the role of elected Members in the management of consequences following any local incidences.

- 6.11 The approach taken in Birmingham City Council demonstrates strong collaborative working at a wider regional level. This is driven, in part, by the regional devolution agenda leading to the formation of the West Midlands Combined Authority. However, there is also a clear recognition that communities do not end with local authority boundaries and that consistency in approach at a regional level will deliver greater results.
- 6.12 Although Tower Hamlets engages with the London Prevent Network and the London Prevent Board, members of the review panel agree more should be done to develop sub-regional ties across existing partnership regions to promote greater information-sharing, including counter-terrorism profiles, and a consistent approach to managing the risks of people being drawn in to terrorism or the support of terrorism.
- 6.13 As part of an initiative to establish a cross borough peer support and strategy group to improve practice, the council has held initial discussions with the London Borough of Islington and expects to also engage Newham, Waltham Forest, Hackney and Redbridge councils as part of a wider partnership initiative.

**RECOMMENDATION 12:**

The council should progress work to promote greater collaboration on Prevent and Safeguarding across the East London region. This should include work to promote greater consistency across the delivery of the Prevent duty and sharing of appropriate intelligence across officers and elected Members.

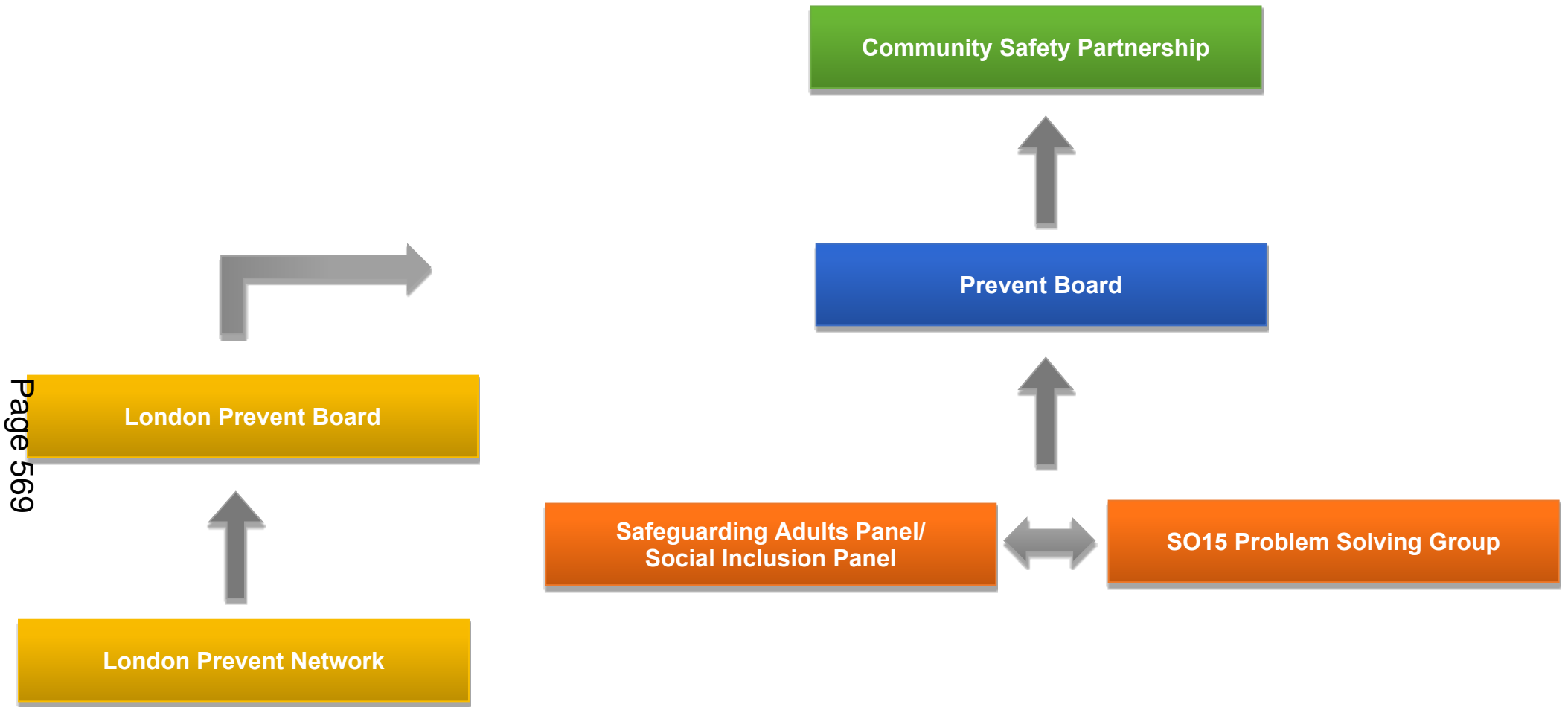
## **Embedding the Prevent Duty across the Council**

- 6.14 The Prevent Duty Guidance reinforces the importance of offering training to staff in order to be able to recognise vulnerability. To support this objective Birmingham City Council has established a multi-agency and multi-disciplinary workforce development team for Prevent who lead on providing training across the organisation.
- 6.15 Recognising the importance of safeguarding risks, Birmingham City Council has moved towards mainstreaming Prevent work by developing levels of training for staff to reflect their interactions with the wider population. This approach includes delivering training to a much wider array of staff ranging from those involved in front line waste management services to back office staff. The council also incorporates recognition of the risks of terrorism within its planning functions to ensure new developments of significant scale have appropriate design safeguards to improve resilience.
- 6.16 Birmingham's approach to training and development around Prevent has also been embedded as part of a broader vision for the city that seeks to promote greater civic responsibility amongst staff during and outside of work. As a major employer in the city, the council recognises the importance of ensuring that all staff, regardless of role, are nonetheless equipped and encouraged to actively engage with this area as local citizens.
- 6.17 Within Tower Hamlets the need to promote the Prevent Duty and provide appropriate training across a much wider pool of staff is recognised. Information provided to the panel, through the course of the review, suggests that the levels of funding provided by the Home Office are inadequate to support some of the work required. Despite the challenges, positive progress has been made to ensure key stakeholders such as schools and the Youth Service have had access to appropriate training and steps are being taken to widen the roll out across the voluntary and community sector.
- 6.18 The development of an e-learning module by the Home Office offers the option to promote a wider roll out of training with minimal resource implications. Members of the review panel also recognise the importance of embedding the Prevent Duty as part of the wider initiatives expected of the council to promote cultural change within the organisation.

### **RECOMMENDATION 13:**

The council should take steps to promote an organisational culture which includes a focus on safeguarding and civic responsibility. This should also include consideration for rolling out appropriate e-learning modules for all staff to promote an understanding of the risks of being drawn into the support of terrorism and violent extremism.

Appendix 1: Prevent Governance Structure



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Action	Responsibility	Date
<p><b>Recommendation 1:</b> The Community Safety Service should continue to work in partnership with the voluntary and community sector to expand their work on promoting a better understanding of safeguarding risks presented by online and social media, and how to stay safe online, through the use of digital champions embedded across the voluntary and community sector.</p>		
<p>One of the Home Office funded projects, managed by the Prevent team, 'Safer Families, Safer Communities' is designed and run by the Parental Engagement Team. The parental engagement team will offer two hour discussion/information sessions around online safety and the full e-safety 4 week course to schools and early years settings across the borough. We will continue to deliver and enhance this training in order to assist the community in understanding these areas.</p>	<p>Community Safety <i>in partnership with</i> Parental Engagement Team</p>	<p>Ongoing  (Subject to continued funding from the Home Office)</p>
<p>The Prevent team will look to how the Home Office can assist in providing the community sector with extra tools to help disperse messages such as online safety throughout the local communities. This will include opening training at Twitter and Google for local partners.</p>	<p>Community Safety</p>	<p>March 2017</p>
<p><b>Recommendation 2:</b> The Council should consider imposing requirements on MSG and other grant funded and commissioned organisations working with young people to obtain relevant safeguarding training.</p>		
<p>In order to 'impose' a requirement that all MSG and other grant funded and commissioned organisations working with young people obtain relevant safeguarding training a variation to their current agreement must be made. It should be noted that the criteria for MSG funding included the need for organisations to submit an up to date Safeguarding Policy. Any variation to grant offer letters must be agreed by Commissioners in the first instance. For existing funded projects, thought will also need to be given on who might fund or deliver the safeguarding training.</p> <p>All future grant programmes (involving work with young people) administered through the Third Sector Team will now include a standard condition on safeguarding training before the programme is launched so all applicants applying know they have to agree to this. The</p>	<p>Third Sector</p>	<p>March 2017</p>

<p>Council will work with THCVS more generally to consider how best to ensure organisations commissioned by or in receipt of grant funding from the Council undertake safeguarding training.</p>		
<p><b>Recommendation 3:</b>                  The Youth Service should;</p> <ul style="list-style-type: none"> <li>• Build on their current work to develop a curriculum to provide a structured programme of development for young people;</li> <li>• Explore ways to support young people at risk of isolation;</li> <li>• Develop, in partnership with Community Safety, a peer education programme to develop young leaders capable of promoting safeguarding and cohesion within their peer groups.</li> </ul>		
<p>Youth Services will develop a Healthy Youth Centre Framework and deliver Prevent and Safeguarding elements under the theme of Emotional Health &amp; Wellbeing. This will include the development of a Safeguarding Champions programme associated with the Youth Council.</p>	<p>Youth Services</p>	<p>March 2017</p>
<p>Youth Services will deliver WRAP and Hate Crime training in 8 Youth Hubs. The Integrated Youth and Community Service (IYCS) and Community Safety will consider a joint Peer Education programme in 2017/18 post IYCS restructure.</p>	<p>Youth Services</p>	<p>March 2017</p>
<p><b>Recommendation 4:</b>                  The Education &amp; Partnerships Service should work with schools and commissioned providers of interfaith work in schools to support the creation of safe spaces for young people to promote debate and critical discourse.</p>		
<p>Through the Prevent Education Officer, the groups providing safe spaces and critical discourse have been set up and strengthened to ensure schools provide ample opportunities. A mapping exercise has also been undertaken to ensure safe space in debate. The Humanities Education Centre global learning encourages these debates throughout schools – we will continue to engage their work throughout our schools within the available resources.</p>	<p>Education &amp; Partnerships</p>	<p>Ongoing</p>



<p>There are Home Office funded projects dealing with children either directly in schools or outside are focusing on creating critical thinking and vibrant discussion. We will continue to work with the Home Office to secure this support to provide the projects in 2017-18</p>	<p>Education &amp; Partnerships</p>	<p>September 2017</p>
<p><b>Recommendation 5:</b> The Council should continue to engage local citizens, in particular young people in the shaping of plans and commissioning of services aimed at promoting safeguarding and undermining the risks of people being drawn in to terrorism, the support of terrorism or violent extremism.</p>		
<p>The Parental Engagement Team will continue to engage parents in discussion and service design through the borough wide Parent and Carer Council (PCC). The PCC meets 3 times a year and will work in partnership with Council teams to promote engagement and participation.</p>	<p>Parental Engagement Team</p>	<p>Ongoing</p>
<p>We will work with the Youth Council through Youth Services to ensure young people have a clear engagement during the shaping of plans. Safeguarding as a wider issue will no doubt play a part in the Young Mayoral elections in January.</p>	<p>Youth Services</p>	<p>Ongoing</p>
<p>We have recently submitted a bid to the Project Innovation Fund (managed by the Home Office) to engage local parents to better understand safeguarding issues in schools operating without oversight. This was a result of coordination of the Prevent Operational Working Group, and looks to engage and advise local community members to help them understand the dangers of institutions offering education without appropriate structures (such as safeguarding or trained staff). A decision on funding is expected in December 2016.</p>	<p>Community Safety <i>in partnership with</i> Education &amp; Partnerships</p>	<p>March 2017</p>
<p><b>Recommendation 6:</b> The Education &amp; Partnerships Service should build on existing work to support schools in promoting equality and diversity, cohesion and critical thinking skills through the school curriculum and help them explore further opportunities to do this outside the curriculum.</p>		

<p>The Prevent Education Officer is providing a great deal of support for schools in this area, including helping teachers understand parts of their curriculum that promotes equality and diversity etc. through developing and delivering curriculum resources. Furthermore cooperative work with Stonewall, VAWG team and Home Office funded projects focus on these areas. Through the Prevent Education Officer we will continue to enhance this support work within the available resources.</p>	<p>Education &amp; Partnerships</p>	<p>Ongoing</p>
<p><b>Recommendation 7:</b>                  The Council should exploit all commissioning opportunities to;</p> <ul style="list-style-type: none"> <li>• Develop greater community leadership to promote and celebrate diversity; and to build resilience to challenges to community cohesion</li> <li>• Ensure its approach to the commissioning of cohesion activities strengthens engagement across all communities in the borough and provides a platform for sustained interaction between communities.</li> </ul>		
<p>The Corporate Strategy &amp; Equality Service will lead on the development of a revised Community Cohesion Toolkit as part of the One Tower Hamlets review. This will support all commissioners of services to map their activity to ensure commissioning activity can be utilised to promote community leadership, celebrate diversity and build resilience to community cohesion.</p>	<p>Corporate Strategy &amp; Equality <i>in partnership with</i> Third Sector / Commissioning Teams across the Council</p>	<p>March 2018</p>
<p>In addition to supporting commissioners of services, the Corporate Strategy &amp; Equality Service is leading the development of a range of commissioning activity specifically to promote community cohesion in the borough. This includes the use of new sources of funding such as S106 contributions and innovative techniques such as co-production in the design and delivery of services. The programme will be supported by Professor Ted Cattle from the Institute of Community Cohesion. Learning and best practice from these programmes will be disseminated throughout the Council as part of a Community Engagement Toolkit.</p> <p>The work led by the Corporate Strategy &amp; Equality Service will be complemented by Home Office funded projects which this year will seek to focus on developing community resilience from within to help produce effective counter narratives to extremist ones.</p>	<p>Corporate Strategy &amp; Equality <i>in partnership with</i> Community Safety</p>	<p>July 2017</p>

<p>As part of the Voluntary and Community Sector strategy action plan, the Third Sector Team will work with THCVS and other Council services to support VCS organisations in terms of community leadership and community cohesion objectives.</p>	<p>Third Sector</p>	<p>March 2018</p>
<p><b>Recommendation 8:</b> The Education &amp; Partnerships Service should continue to promote the UNICEF Rights Respecting Schools Award to improve uptake across schools in the borough.</p>		
<p>41 schools in the borough are currently signed up to the UNICEF Rights Respecting Schools programme. The Education &amp; Partnerships service will continue to promote take up by schools.</p>	<p>Education &amp; Partnerships</p>	<p>Ongoing</p>

Action	Responsibility	Date
<p><b>Recommendation 9:</b>                      The Council should ensure the use of language across services and commissioned partners is consistent and compliant with the objective to promote community cohesion. This should include appropriate use; distinguishing between faith and ideology, avoiding objectification of groups or communities and greater clarity in describing risks/threats i.e. “people being drawn into terrorism, the support of terrorism or violent extremism” or “increasing risk of travel to conflict zones including Syria and Iraq” as opposed to using more general terms such as ‘radicalisation’.</p>		
<p>The Community Safety Service will review written materials containing information in regards to Prevent and work in partnership with the Communications and Corporate Strategy &amp; Equality Service on communications activity at a corporate level.</p> <p>It must however be voiced that some terms are used due to being specified in legislation, therefore replacing them would be inappropriate. For instance “<i>Radicalisation’ refers to the process by which a person comes to support terrorism and extremist ideologies associated with terrorist groups</i>” (<i>Glossary of Terms, Prevent Duty Guidance– revised, 2015</i>). Therefore because the support of terrorism or extremist ideologies is specifically mentioned, radicalisation is demarcated from a more academic appraisal of adopting radical ideas (which may be legal or acceptable). Consequentially, replacing the term with the longer version would serve no purpose.</p>	<p>Community Safety  <i>in partnership with</i>                      Communications                      and Corporate                      Strategy &amp; Equality</p>	<p>March 2017</p>
<p><b>Recommendation 10:</b>                      The Communications Service should adopt a more proactive approach to promoting cohesion through a borough wide campaign which celebrates our history, diversity and resilience to adversity. This should include opportunities for resident involvement to promote the borough and a greater role within the Prevent Delivery Plan.</p>		


<p>Communications will work with the Community Safety Service to develop a Prevent relation communications plan for 2017/18. Both services are currently running a campaign focused on Hate Crime (which covers many of the aforementioned points).</p> <p>The design and delivery of a communications campaign for Prevent will need to be in line with the Council’s strategic/mayoral objectives or priorities identified through the Annual Residents Survey. Any decision will require approval from CMT and adequate resources to be identified/allocated.</p> <p>There is strict guidance over sharing and input into the Prevent Delivery Plan whilst it is in operation. The Communications Service will however feed in through the Prevent Board to ensure comprehensive input to the PDP is gathered.</p>	<p>Communications <i>in partnership with</i> Community Safety</p>	<p>September 2017</p>
<p><b>Recommendation 11:</b> Elected Members should be further supported to understand and comply with Sections C and E of the 2015 Prevent Duty Guidance, including:</p> <ul style="list-style-type: none"> <li>• Dissemination of intelligence information to designated elected members in line with section C of the Prevent Duty Guidance;</li> <li>• Guidance and training tailored for elected Members to enable them to understand their role in the Duty;</li> <li>• Further consideration to the role of elected Members in the management of consequences following any local incidences.</li> </ul>		
<p>The Prevent/Community Safety Service will provide verbal briefings to Members on the Counter Terrorism Local Profile (CTLP), according to guidance from the Home Office. The CTLP is a police produced and owned document and subject to strict sharing guidance set out by the Home Office. These briefings will be scheduled in line with the production of latest CTLP (annually) and members will be informed of proposed date. The CTLP cannot be shared as a hard copy outside of a select number of individuals, as designated by the Home Office.</p>	<p>Community Safety <i>in partnership with</i> Members Support and SO15 Police</p>	<p>May 2017 CTLP dispersed by Met Police (SO15) in April 2017</p>
<p>Training has been delivered to Members through both the Prevent team and SO15. The Prevent Board has requested the Home Office to provide specific training for Members once it has been developed (currently in development). We will schedule a biannual training for members tailored to enable them to understand their role and responsibilities as part of the Duty.</p>	<p>Community Safety <i>in partnership with</i> Members Support</p>	<p>Training April and November 2017</p>

<p>Consideration will be given to the involvement of members following local incidents; however it must also be remembered that certain procedures following critical incidents must be adhered to. This will affect how quickly and how much information can be shared.</p>	<p>Community Safety <i>in partnership with</i> Police</p>	<p>Ongoing</p>
<p><b>Recommendation 12:</b> The Council should progress work to promote greater collaborative working on Prevent and Safeguarding across the East London region. This should include work to promote greater consistency across the delivery of the Prevent Duty and sharing of appropriate intelligence across officers and elected Members.</p>		
<p>The Prevent team has written to Service Heads and Lead Members of neighbouring boroughs to propose a cross-borough partnership group for Prevent. We will aim to create and lead this partnership in the next calendar year. Many neighbouring boroughs (and other local authorities) look to Tower Hamlets for best practice examples, advice and guidance in this field. We will look to encourage further close cooperative working across East London and developing best practice working that other local authorities can use.</p> <p>The Prevent Coordinator is a member of the London Prevent Coordinator network, the Prevent Schools Officer is a member of the Education network, and local SO15 partners are part of the North East cluster, all of which cooperate across borough boundaries with information or intelligence sharing and developing protocols.</p>	<p>Community Safety</p>	<p>Expected to commence by April 2017</p>
<p><b>Recommendation 13:</b> The Council should take steps to promote an organisational culture which includes a focus on safeguarding and civic responsibility. This should also include consideration for rolling out appropriate e-learning modules for all staff to promote an understanding of the risks of being drawn into the support of terrorism.</p>		

<p>All Staff will be requested to undertake the Home Office online Prevent training as part of our civic responsibility towards safeguarding. The training will be launched in January 2017 and will be widely publicised via our internal communication channels for staff to complete by March 2017. We will be able to provide management reports on those who access the course.</p> <p>Project Griffin which looks at the more ‘hard line’ aspects of countering terrorism is being promoted by HR to all staff. This will assist in helping staff understand the current threats more clearly and help develop resilience.</p>	<p>Human Resources</p>	<p>March 2017</p>
<p>A communications plan relevant to Prevent and the support provided to those vulnerable to being drawn into terrorism is being developed for next year.</p>	<p>Community Safety</p>	<p>April 2017</p>

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<p><b>Cabinet</b></p> <p>7 February 2017</p>	 <p><b>TOWER HAMLETS</b></p>
<p><b>Report of:</b> Graham White, Acting Corporate Director Governance</p>	<p><b>Classification:</b> Unrestricted</p>
<p>Review of Maternity Services at the Royal London Hospital, Scrutiny Review Report and Action Plan</p>	

<b>Lead Member</b>	<b>Councillor Amy Whitelock Gibbs, Cabinet Member for Health &amp; Adult Services</b>
<b>Originating Officer(s)</b>	Daniel Kerr, Corporate Strategy, Policy & Performance Officer
<b>Wards affected</b>	All
<b>Key Decision?</b>	No
<b>Community Plan Theme</b>	<b>A healthy and supportive community</b>

## Executive Summary

This paper submits the report and recommendations of the Health Scrutiny sub-committee Scrutiny Review on Maternity Services, and the Action Plan for implementation.

## Recommendations:

The Mayor in Cabinet is recommended to:

1. Note the scrutiny review report as agreed by the Health Scrutiny Sub-Committee on 28<sup>th</sup> June 2016 (**Appendix 1**) and agree the Action Plan in response to the review recommendations. (**Appendix 2**).
2. Note the outcome of the latest Care Quality Commission (CQC) inspection of Maternity Services at the Royal London Hospital (RLH).

## **1. REASONS FOR THE DECISIONS**

- 1.1 The Health Scrutiny Sub-Committee identified the performance of maternity services at the Royal London Hospital (RLH) as the subject for a review in its work programme for 2015-16. The Sub-Committee wanted to find out the extent to which patients' experiences have improved since the move from the old Royal London Hospital (RLH) to the new site, which opened in 2012, and to examine the improvement plans that Barts Health Trust (BHT) and the Tower Hamlets Clinical Commissioning Group (THCCG) have developed for the service.
- 1.2 In doing so, the Sub-Committee's main objective was to produce an informed, practical and evidence-based review, including recommendations and an Action Plan that would help the RLH and partners implement improvements to maternity care. Barts Health Trust has agreed in principle to endorse the recommendations outlined in the review and to work with the council and other stakeholders through a Maternity Partnership Board to address the issues identified.
- 1.3 Since the completion of this review and Action Plan, a CQC inspection of maternity services at RLH has identified a number of concerns and rated the service as 'Inadequate' (December 2016).
- 1.4 This report seeks the endorsement of the Mayor in Cabinet of the Sub-Committee's review and its related Action Plan. Through the implementation of the Action Plan many of the issues identified in both the scrutiny review and the CQC inspection report will be targeted and improved.

## **2. ALTERNATIVE OPTIONS**

- 2.1 To take no action. This is not recommended as the scrutiny review provides an evidence base for improving maternity 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 This report provides the Health Scrutiny Sub-Committee with the final report and recommendations from its review of maternity services at the Royal London Hospital. The review specifically addresses patient experience as feedback from patient organisations had highlighted instances of poor experiences in terms of compassion and continuity of care.
- 3.2 Annually 5,300 women give birth in Tower Hamlets, and the majority of them have their babies at the RLH. Clinical outcomes at the RLH are excellent, and the hospital deals with a high proportion of complex, high acuity births. However, a number of inspections and investigations that have taken place in

the last two years. Most significantly the report of the Care Quality Commission (CQC) published in May 2015 had raised concerns about aspects of the service, for example long delays in waiting areas and inadequate staffing levels, both of which can impact on patient care.

3.3 Through listening to patient feedback the review explored the extent to which women are involved in monitoring and planning services and how accessible and responsive services are for people from different social and equalities backgrounds. The Sub-Committee members were also keen to understand the reasons for the differences across the sites (RLH and Barkantine Birth Centre) and the extent to which various improvement plans were impacting on the quality of patient experience.

3.4 In summary, the aim of the review was:

- To understand the reasons for differences in patient experiences from the Barkantine Birth Centre compared to the main Royal London Hospital site;
- To assess the actual and planned impact of various initiatives and programmes that Barts Health Trust (BHT) has put in place to improve patient experience in maternity care;
- To evaluate evidence from a range of data sources in order to understand whether there are inequalities in terms of the quality of patient experience that affect particular groups or communities;
- To look at the role of local community services that are designed to support pregnant women through their pregnancies and birth and how these services can be developed further;
- To explore the extent to which local women are involved in planning and monitoring services.

3.5 The most recent CQC inspection of the RLH took place in June 2016 and was published on 15th December 2016. The inspection identified a number of concerns with the maternity ward and rated the service as 'Inadequate'. The inspection based this assessment on the following findings: A shortage of midwives meant that maternity wards were at times inadequately covered. Only 92% of women had one-to-one care in labour, far short of national guidelines. There was also a low level of maternity Consultant cover. Women had inconsistent experiences, some very poor, of maternity services, and some women and partners reported a lack of respect from midwives. The maternity service did not demonstrate care for its own staff, rosters were late, approval of annual leave was slow, midwives felt their concerns were not listened to and morale was low. Moreover issues were identified around security on the maternity ward. Baby security was not robust, with poor compliance to the wearing of baby name bands, and the infant abduction policy had not been disseminated to staff - the policy assumed the use of an electronic baby tagging system which was not in use in the hospital.

3.6 The most recent CQC report throws additional light on some of the underlying factors that might contribute to the issues identified in the Health Scrutiny Sub-Committee Review. Many of the issues identified in the CQC inspection

report are also identified in the scrutiny report and addressed in its recommendations.

- 3.7 The report with recommendations is attached at Appendix 1. The review made 17 recommendations, which are detailed below:

**Recommendation 1:** That Barts Health Trust explores how it can further implement good practice on offering compassionate care, particularly for women who have had traumatic births and those who do not speak English as their first language.

**Recommendation 2:** That Barts Health Trust reviews its midwife recruitment strategy to ensure that it strengthens its approach to increasing the diversity of staff to reflect the characteristics of the local population.

**Recommendation 3:** That Barts Health Trust carries out a 6-12 months in depth study focused on patient experience following the opening of the new co-located unit in August 2016 to provide deeper insight and assurance around improvement plans that are being implemented.

**Recommendation 4:** That Barts Health Trust develops options to ensure that there is sufficient time dedicated for a range of staff to provide information to patients, particularly for women who do not speak English as a first language.

**Recommendation 5:** That Barts Health Trust ensures that it incorporates the findings and recommendations from the National Maternity Review in terms of how it tailors support to women who do not read and speak English.

**Recommendation 6:** That subject to the findings of an evaluation of the Maternity Mates service; Tower Hamlets Clinical Commissioning Group and Barts Health Trust work to further develop and strengthen the Maternity Mates service to expand its role working with midwives and local women in hospital settings and the wider community. This should include working with a diverse range of local women both as service users and Maternity Mates with a particular focus on minority groups such as the Somali community.

**Recommendation 7:** That Barts Health Trust regularly reviews the process for conducting handovers between shifts to ensure that this process is as seamless as possible for staff and patients.

**Recommendation 8:** That Barts Health Trust reviews the information provided as part of antenatal and postnatal care and works with patient groups (Maternity Services Liaison Committee, Healthwatch Tower Hamlets, National Childbirth Trust) and local residents to ensure information is accessible, appropriate and meets local needs.

**Recommendation 9:** That the Tower Hamlets Clinical Commissioning Group continues to fund, support and strengthen the Maternity Services Liaison Committee as a key mechanism for involving local women in shaping the future of maternity services in the borough.

**Recommendation 10:** That Barts Health Trust strengthens its discharge planning with patients and ensures that adequate time is taken for patients to understand the information provided and that it reflects their needs and choices. This is particularly the case for women who do not speak English as a first language.

**Recommendation 11:** That Barts Health Trust reviews its resource allocation systems to enable staff to have more time to spend with patients.

**Recommendation 12:** That Barts Health Trust builds on its work to engage staff groups and patient organisations in plans for designing wards and waiting areas.

**Recommendation 13:** That Barts Health Trust develops a 'listening in action' programme so that midwives and ward staff can share practice with managers and learning is cascaded 'up' the management chain.

**Recommendation 14:** That Tower Hamlets Clinical Commissioning Group and Barts Health Trust review the demand modelling process to ensure they can better understand future demand and enable Barts Health Trust to ensure sufficient resources can be allocated more swiftly to meet peaks in demand.

**Recommendation 15:** That Barts Health Trust improves the way that data on patient experience is collated and finds a way of bringing together data from various sources that can be analysed at a sufficient level of granularity, for example ethnicity, age group and site specific.

**Recommendation 16:** That Barts Health Trust strengthens how it is using patient feedback (good and bad) and to demonstrate to patient representative groups how this feeds into improvement plans.

**Recommendation 17:** That Barts Health Trust works with patient representative groups and forums to develop easily accessible, timely and intuitive ways to give feedback. Linked to this that Public Health review how the new birth visit (and 6-8 weeks check) could provide an opportunity to better capture patient experience feedback and to develop a process to feed this information back to Barts Health Trust.

- 3.8 The Action Plan attached in **Appendix 2** outlines the response from the Council and relevant partners, including Barts Health Trust. A Maternity Partnership Board has been set up to track the progress of the Action Plan and ensure the recommendations are implemented. The Maternity Partnership Board includes members from Barts Health NHS Trust, Tower Hamlets CCG, Tower Hamlets Public Health, and the Chair of the Health Scrutiny Sub-Committee.

#### **4. COMMENTS OF THE CHIEF FINANCE OFFICER**

- 4.1 This is a nothing report and there are no direct financial implications on the Council as a result of the recommendations within this report. However, the 17 recommendations above aimed at improving maternity services at the Royal London Hospital, could have financial implications on both Barts Health Trust and Tower Hamlets CCG. These will need to be considered by the relevant bodies.

#### **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 to discharge the functions conferred by sections 9F to 9FI of the Local Government Act 2000; or any functions which may be conferred on it by virtue of regulations under section 244(2ZE) of the National Health Service Act 2006 (local authority scrutiny of health matters). The scrutiny of health matters is undertaken by this Sub-Committee. Both the Committee and the Sub-Committee may also make reports and recommendations to the Full Council or the Executive in connection with the discharge of any functions.
- 5.2 This report provides details of a Health Scrutiny Sub-Committee review looking at Maternity Services at Royal London Hospital. A review report has been prepared and which makes 17 recommendations all of which appear to be capable of being carried out within the Council's powers.
- 5.3 When considering its approach to scrutiny of health matters, 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 scrutiny report makes a number of recommendations to improve maternity services at the Royal London Hospital. A key focus is on ensuring the service explores how they can further implement good practice on offering compassionate care, particularly in cases where women have had traumatic births and do not speak English as a first language. This will help to ensure all communities have access to the appropriate level of support.

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

- 7.1 There are no direct best value implications arising from this report or its Action Plan.

#### **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 mothers and children. Although no safeguarding issues were specifically identified in the report or Action Plan, it is noted that practitioners must remain mindful of potential safeguarding issues during the implementation of the recommendations. The concerns identified in the CQC inspection report about security on the maternity ward do have potentially serious safeguarding implications.

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### **Linked Reports, Appendices and Background Documents**

#### **Linked Report**

- NONE

#### **Appendices**

- **Appendix 1 - Review of Maternity Services at the Royal London Hospital 'Report'**
- **Appendix 2 – Review of Maternity Services at the Royal London Hospital 'Action Plan'**

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

- NONE

#### **Officer contact details for documents:**

N/A

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**Health Scrutiny Panel**  
**Review of Maternity Services at**  
**Royal London Hospital**



**London Borough of Tower Hamlets**  
**June 2016**

## **Chair's foreword**

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Tower Hamlets has the fastest growing population of anywhere in the UK. The Health Scrutiny Panel wants to ensure that everyone born in the borough now and in the future has the best possible start in life, and women and their families from across our diverse community are supported throughout their pregnancy, birth and postnatal care.

Learning from what patients and were saying about their experiences has been at the heart of this review. To make services better it is vital that patients have the right opportunities to feedback on their experience of services and that they receive the right level of assurance that their views can make a difference.

For a number of years, the Panel has been hearing that patient experiences of maternity services at the Royal London Hospital are not always as good as they should be. Some women, particularly those who do not speak or read English have had particularly poor experiences. This needs to change.

Over the past few years there have been several reviews and inspections of maternity services at the Royal London which have raised similar issues about patient experiences but only limited progress has been made. This is set to change. A new leadership team at Barts Health Trust and a new midwife-led maternity unit at the Royal London will help to ease the pressure on the existing service and transform the care that patients receive. The Health Scrutiny Panel is pleased that Barts Health NHS Trust and other partner organisations are keen to work with the Panel to take forward the recommendations in this review

I would like to thank all the council officers who have worked on this review, especially colleagues from Public Health for their expert advice. My particular thanks also to the local community organisations; Healthwatch Tower Hamlets, the Maternity Services Liaison Committee, Maternity Mates and the National Childbirth Trust for bringing the community and service user perspective to the review. Finally, gratitude is due to the officers from Tower Hamlets Clinical Commissioning Group, the Care Quality Commission and Barts Health NHS Trust who presented evidence for this review and organised site visits to the Royal London Hospital and the Barkantine Centre.

Most significantly I would like to thank our co-opted members from the Maternity Services Liaison Committee and the patients themselves as it is their voices that are at the heart of this review.

I recommend this review to you.

**Councillor Amina Ali**

**Chair of the Health Scrutiny Panel (2015-16)**

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## RECOMMENDATIONS

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### Culture

**Recommendation 1:** That Barts Health Trust explores how it can further implement good practice on offering compassionate care, particularly for women who have had traumatic births and those who do not speak English as their first language.

**Recommendation 5:** That Barts Health Trust ensures that it incorporates the findings and recommendations from the National Maternity Review in terms of how it tailors support to women who do not read and speak English.

**Recommendation 10:** That Barts Health Trust strengthens its discharge planning with patients and ensures that adequate time is taken for patients to understand the information provided and that it reflects their needs and choices. This is particularly the case for women who do not speak English as a first language.

### Workforce

**Recommendation 2:** That Barts Health Trust reviews its midwife recruitment strategy to ensure that it strengthens its approach to increasing the diversity of staff to reflect the characteristics of the local population.

**Recommendation 4:** That Barts Health Trust develops options to ensure that there is sufficient time dedicated for a range of staff to provide information to patients, particularly for women who do not speak English as a first language.

**Recommendation 6:** That subject to the findings of an evaluation of the Maternity Mates service; Tower Hamlets Clinical Commissioning Group and Barts Health Trust work to further develop and strengthen the Maternity Mates service to expand its role working with midwives and local women in hospital settings and the wider community. This should include working with a diverse range of local women both as service users and Maternity Mates with a particular focus on minority groups such as the Somali community.

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**Recommendation 14:** That Tower Hamlets Clinical Commissioning Group and Barts Health Trust review the demand modelling process to ensure they can better understand future demand and enable Barts Health Trust to ensure sufficient resources can be allocated more swiftly to meet peaks in demand.

## Feedback

**Recommendation 3:** That Barts Health Trust carries out a 6-12 months in depth study focused on patient experience following the opening of the new co-located unit in August to provide deeper insight and assurance around improvement plans that are being implemented.

**Recommendation 12:** That Barts Health Trust builds on its work to engage staff groups and patient organisations in plans for designing wards and waiting areas.

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**Recommendation 16:** That Barts Health Trust strengthens how it is using patient feedback (good and bad) and to demonstrate to patient representative groups how this feeds into improvement plans.

## Partnerships

**Recommendation 8:** That Barts Health Trust reviews the information provided as part of antenatal and postnatal care and works with patient groups (Maternity Services Liaison Committee, Healthwatch Tower Hamlets, National Childbirth Trust) and local residents to ensure information is accessible, appropriate and meets local needs.

**Recommendation 9:** That the Tower Hamlets Clinical Commissioning Group continues to fund, support and strengthen the Maternity Services Liaison Committee as a key mechanism for involving local women in shaping the future of maternity services in the borough.

**Recommendation 17:** That Barts Health Trust works with patient representative groups and forums to develop easily accessible, timely and intuitive ways to give feedback. Linked to this that Public Health review how the new birth visit (and 6-8 weeks check) could provide an opportunity to better capture patient experience feedback and to develop a process to feed this information back to Barts Health Trust.

## **1. Introduction**

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- 1.1 The Health Scrutiny Panel (HSP) identified the performance of maternity services at the Royal London Hospital (RLH) as the subject for a review in its work programme for 2015-16. Annually 5,300 women give birth in Tower Hamlets, and the majority of them have their babies at the RLH. Clinical outcomes at the RLH are excellent, and the hospital deals with a high proportion of complex, high acuity births. However, a number of inspections and investigations that have taken place in the last two years; most significantly the report of the Care Quality Commission published in May 2015 have raised concerns about aspects of the service, for example long delays in waiting areas and inadequate staffing levels. Issues such as staffing deficits can impact on patient care.
- 1.2 The Panel wanted to find out the extent to which patients' experiences have improved since the move from the old Royal London Hospital (RLH) to the new site which opened in 2012 and to examine the improvement plans that Barts Health Trust (BHT) and the Tower Hamlets Clinical Commissioning Group (THCCG) have developed. Through listening to patient feedback the review explored the extent to which women are involved in monitoring and planning services and how accessible and responsive services are for people from different social and equalities backgrounds. The Panel members were also keen to understand the reasons for the differences across the sites (RLH and Barkantine Birth Centre) and the extent to which various improvement plans were impacting on the quality of patient experience.

In summary, the aim of the review was:

- To understand the reasons for differences in patient experiences from the Barkantine Birth Centre compared to the RLH.
- To assess the actual and planned impact of various initiatives and programmes that Barts Health Trust (BHT) has put in place to improve patient experience in maternity care.
- To evaluate evidence from a range of sources of data in order to understand whether there are inequalities in terms of the quality of patient experience that affect particular groups or communities.
- To look at the role of local community services that are designed to support pregnant women through their pregnancies and birth and how these services can be developed further.
- To explore the extent to which local women are involved in planning and monitoring services.

In doing so, the HSP's main objective was to produce informed and practical recommendations based on the evidence from the review to help the RLH and partners improve maternity care for the future.

### **1a) Methodology**

- 1.3 To inform the Panel's work a range of meetings and evidence gathering activities were undertaken between December 2015 and March 2016. These included the following:
- The first meeting set out the local context to give an overview of local needs and demand along with commissioner and provider perspectives on the challenges faced. Tower

Hamlets Public Health set the background to the review by giving an overview of key data on maternal health in the borough. Tower Hamlets Clinical Commissioning Group (CCG) outlined the commissioner perspective on how they monitor the service provided and hold the provider to account. The CCG also covered how local women are involved in service planning and monitoring, and how patient experience feedback is captured and used. Barts Health Trust, (BHT) gave an overview of the services provided, the challenges faced and the various initiatives and improvement plans it has put in place.

- The second meeting focused on patient experience and other support provision in the community. This session involved the following:
  - A presentation from Social Action for Health (SAFH) who, since 2005, have run the Maternity Services Liaison Committee (MSLC) in Tower Hamlets. The MSLC is a local community led group which aims to capture patient experience to inform service improvement and ensure that the provider and commissioner take patient views into account. The MSLC report drew together insight from a total of 990 women over the period April 2014 to December 2015. During this time the MSLC held 32 outreach sessions and 11 support groups with local mothers.
  - Women’s Health & Family Services (WHFS) gave an overview of their Maternity Mates service as an illustration of local good practice in supporting women who have additional care and support needs, for example those who may be isolated, have complex health needs or do not speak English. The service is a peer support scheme; Maternity Mates receive accredited training and work alongside health professionals to provide advice, information and emotional and practical support.
  - Healthwatch Tower Hamlets (HWTH) presented a report on patient experience data they collated. HWTH carried out an Enter and View<sup>1</sup> visit to the RLH maternity service in December 2015 updating information from a previous visit in 2014. This was supplemented by analysis of patient comments and feedback from a range of other sources including NHS Choices that was brought together on the Healthwatch Information Hub. The timeframe for capture of patient experience data was July 2014 to December 2015.
  - The National Childbirth Trust (NCT) presented a summary of a recent online patient experience survey and outlined what good patient experience of maternity services looks like. The survey was ‘live’ for three days in December 2015 and a total of 16 detailed responses were received; 15 from women plus one from a male partner. The survey sought responses from women who had given birth at the RLH over the previous five years (2010 – 2015). It is worth noting that over this period, over 20,000 births took place at the RLH. The findings from this survey therefore are not necessarily representative of patient experiences across the whole population but do give detailed, personal insight into some important concerns which have been raised in other, more extensive investigations such as the National Maternity Review.
- The third meeting involved a presentation on the results from the last Care Quality Commission (CQC) inspection report published in May 2015 and a progress update from BHT on its improvement plan responding to the inspection findings.
- Site visits to the Barkantine Birth Centre and the RLH to understand the differences in patient experiences at the two sites and to speak to patients and staff.

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<sup>1</sup> Local Healthwatch organisations have a number of statutory powers including Enter and View which means that their authorised and trained representatives can visit any public funded health and care facilities to observe service delivery, the care environment and to capture service user and patient experience.

- A broader literature review of national reports and local evidence including Healthwatch reports and sources of patient feedback and progress reports from the RLH.
  - Evidence from the site visits including feedback from conversations with patients and staff. It supplemented this by looking at recent (post November 2015) sources of patient feedback including NHS Choices.
  - A final meeting of the Panel and key partners to discuss the findings and recommendations was held on 22<sup>nd</sup> March 2016.
- 1.4 The evidence on patient experience was mainly qualitative. Where possible, this evidence has been examined in relation to broader trends and survey data on patient experience. In health care, qualitative methods are used primarily to capture in depth information on patient experience, attitudes, behaviours and interactions. The data that emerge are rich but not numerical so taken together they give a detailed description of experience rather than a scientific measure of representativeness.
- 1.5 To gauge national concerns around maternity services key documents that have been referenced include:
- CQC State of Care (2015)
  - National Maternity Review (February 2016)
  - Healthwatch England briefing on Maternity Care (December 2015)
  - Maternity Survey 2015 (Picker Institute, February 2015)
- 1.6 Information was received from the Council's Public Health team in relation to the Joint Strategic Needs Assessment (JSNA) projected population figures and trends data. This also included information about health inequalities, demography and prevalence of long term conditions. CQC hospital inspection reports were also reviewed. Information was also received from Tower Hamlets Healthwatch on the experiences of local people using maternity services and information on complaints data, training packages, patient feedback and improvement plans from Barts Health Trust and the Tower Hamlets Clinical Commissioning Group (CCG).
- 1.7 A key challenge in terms of presenting an overall picture of the quality of patient experience at the RLH is the availability of quality assured data from a range of sources. National surveys (Picker Institute) only offer a snapshot at a point in time; there is usually a significant time lag between event and data capture and response rates to such surveys tend to be low. Therefore this undermines confidence that the results are representative. Currently, the overall picture of patient experience data is fragmented and there is no overarching system for bringing this altogether in one place.



## 2. Background and context

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### 2a) The National picture

- 2.1 Each year there are almost 700,000 live births across England. Having a baby is the most common reason for hospital admission. 94% of births occur in hospitals annually<sup>2</sup>. While most women have a positive experience of birth, this is not always the case and there is a great deal of national variation across different Trusts and hospitals.
- 2.2 In the last two years there have been a number of high profile reports that have raised serious concerns about patient safety within NHS maternity services, most significantly the investigation into serious failings at the Furness Hospital in Morecambe Bay<sup>3</sup>. The report found that there had been major dysfunction at every level within the hospital over a period of nearly 10 years and several opportunities to recognise the problems over this period were missed. It is unsurprising then, that maternity services have subsequently been an issue for increased scrutiny nationally and locally. A key recommendation from this investigation was to produce a national review of maternity services.
- 2.3 It is well documented that the NHS is under increasing pressure with many trusts in financial deficit; there is also a growing staffing crisis in many areas. In February 2016, there were newspaper reports<sup>4</sup> that BHT would report a year end £134.9 million deficit; the largest ever overspend reported by a single trust in the history of the NHS. The size of the financial deficits in NHS trusts across the country indicates that the additional £1.8 billion funding allocated by the government to the NHS in 2016/17 will be inadequate to cover the current overspend. The Kings Fund estimates that the total financial deficit of NHS Trusts in England for 2015/16 is £2.3 billion<sup>5</sup>.
- 2.4 The Royal College of Midwives (RCM) 2015 report calculated that in 2014 there was a shortfall of 2,600 midwives in England. NICE have recently published guidelines on safe staffing levels which is helping Trusts to calculate the staffing levels needed. The London Safety Standards (2013) recommended national staffing level is one midwife dealing with no more than 30 births per year; a ratio of 1:30. For the RLH each midwife should deal with 28 births per year which translates to a staffing ratio of 1:28 and reflects the higher acuity of needs in East London compared to the rest of the country. The RCM report warns that inadequate staffing levels are detrimental to overall patient experience.

*“When there are not enough midwives it is the quality of the service that women receive that suffers.”*

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<sup>2</sup> NHS England data (2013)

<sup>3</sup> Kirkup, W (2015) The report of the investigation into Morecambe Bay, HM Government, London

<sup>4</sup> The Guardian, 7<sup>th</sup> February 2016 <http://www.theguardian.com/society/2016/feb/07/barts-london-hospital-trust-biggest-overspend-nhs-history>

<sup>5</sup> Kings Fund (2016) Quarterly Monitoring Report, February 2016, London

*National review of maternity services*

2.5 The national review of maternity services<sup>6</sup> published in February 2016 was the result of one of the key recommendations from the Morecambe Bay investigation. Key findings include that whilst nationally, maternity services are safer than ever with a 20% fall in neonatal deaths over the last decade, there is significant variation in quality of service and patient experiences. Over the same time period, more women are giving birth at an older age, and more women are living with long term, complex health conditions. All this has contributed to the complexity of births increasing but at the same time, clinical outcomes are improving. The review also recognised that pressures on hospitals and staff were increasing with many hospitals being at 100% occupancy rates most of the time. The report found that the best maternity services are based on a strong learning culture and a good team-working ethos.

The foreword to the review by Baroness Cumberlege (chair) states there is an unacceptable level of variation of quality care and patient experience across the country. The review also found that there is often a defensive culture when it comes to hospitals learning from mistakes:

*“Things go wrong too often. We spend £560 million each year on compensating families for negligence during maternity care. And when things do go wrong, the fear of litigation can prevent staff from being open about their mistakes and learning from them.”*

An extensive section of the National Maternity Review report focused on patient experience. Whilst birth is never risk free it is important that care should ‘wrap around’ the person. Too often people said they felt under pressure to make choices that fitted into existing service models and some resented the labelling of ‘normal’ births and risk categories.

The report highlights that many women are not offered real choices in their care and are often told what to do rather than being enabled to make informed decisions. Continuity of care is a crucial determinant of a positive patient experience yet the review team heard that many women had to repeatedly explain their situations to different people because their notes were sketchy, incomplete or had not been read.

Women said they valued being listened to by staff and want to know that the people caring for them are trained and competent. They also want their partners to be involved and included throughout the maternity pathway. They particularly highlighted that inconsistencies in communication are a big frustration for patients, particularly communication between professionals working on different shifts. It is frustrating for women to have to explain their situation repeatedly to different people, particularly at a time when they feel tired, stressed and vulnerable. Better use of e-records and digital communications was recommended. The women who were spoken to valued privacy and a supportive environment and, for those who had experienced complications or premature births, knowing their babies were close by.

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<sup>6</sup> National Maternity Review (2016), Better Births, Improving Maternity Care and Outcomes, HMSO London

Recommendations from the National Maternity Review include that services should be personalised around patients' needs and women should be able to make informed choices about their care. Also there should be continuity of care to ensure safe care based on relationship of mutual trust and respect in line with woman's decisions is also integral to a good patient experience.

## **2b) National patient perspectives**

- 2.6 In December 2015 Healthwatch England (HWE), the national consumer champion for health and social care, published a report on women's experiences of maternity services. The research found that there were limited opportunities and a lack of information around how people could give their views and feedback to help shape services, finding that

*"55% of women would be willing to give their views to shape services but 70% do not know how".*

The report flagged concerns about the way Maternity Services Liaison Committees (MSLCs) are funded, noting that there is no longer mandatory funding from CCGs which may impact on women's opportunities to use their experiences to inform decisions and service improvements.

The HWE findings also highlighted that staff attitudes were often poor ranging from staff being rushed and unsupportive to downright rude. Similar to the National Maternity Review, the report called for better antenatal and postnatal support around mental health and better access to pre-natal care. It also highlighted the importance of infrastructure and environment, illustrating how important it is for women to feel as comfortable as possible whilst in waiting areas, labour wards and post-natal wards, and their needs for privacy and dignity to be respected.

## **2c) Maternal health in Tower Hamlets**

- 2.7 In 2013 there were 4,800 births in Tower Hamlets<sup>7</sup> and numbers have increased since then. The birth rate<sup>8</sup> in Tower Hamlets is increasing, with approximately 500 extra births per year expected by 2024. According to the latest population projections, the anticipated birth rate for 2019 has already been exceeded in 2015/16. This is a substantial number and it will be a challenge for services to ensure this extra need is met to a sufficient standard.
- 2.8 39% of children born or living in Tower Hamlets are in an income deprived family and the borough is ranked 24<sup>th</sup> in deprivation nationally<sup>9</sup>. Tower Hamlets is no longer one of the 20

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<sup>7</sup> Numbers of births that take place in Tower Hamlets is not the same as numbers of births from local residents as some women who give birth at the RLH live in other areas.

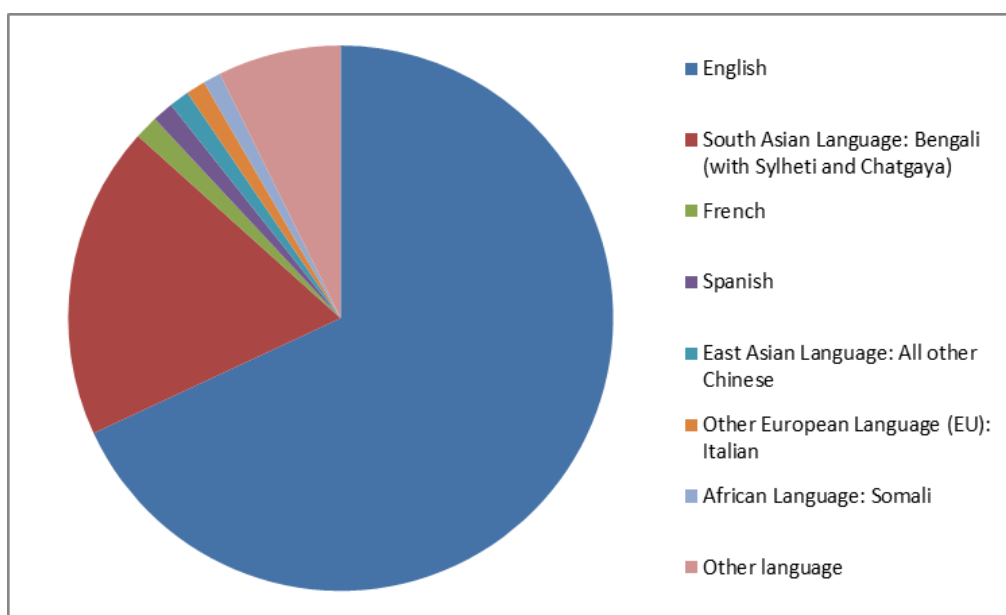
<sup>8</sup> See glossary for definition of birth rate and fertility rate

<sup>9</sup> DCLG (September 2015), *The English Indices of Deprivation 2015*, National Statistics, London.

most deprived local authority areas in England<sup>10</sup> but this improvement in the rankings is partly explained by inward migration of a cohort of affluent young professionals so inequality has increased over the last five years. Tower Hamlets remains the most deprived district nationally in terms of income deprivation of children.

2.9 A key factor which influences maternal outcomes is the ability of women to speak and read English<sup>11 12</sup>. Those who cannot communicate effectively in English have problems with understanding and being understood by health professionals due to the language barrier<sup>13</sup>. Low health literacy also has a negative impact on patient experience in terms of the ability to comprehend information relating to pregnancy. In Tower Hamlets, 35% of the local population overall do not speak English as their first language. Nationally the level is less than 10%.

**Figure i): Main language spoken in Tower Hamlets<sup>14</sup>**



<sup>10</sup> This ranking does vary according to the source measure used. In some indices, Tower Hamlets is ranked as high as 3<sup>rd</sup> most deprived area nationally. It should be noted that changes in rankings reflect relative rather than absolute changes so that an improvement does not necessarily mean that deprivation levels have reduced.

<sup>11</sup> Public Health use English Language proficiency as an indicator of health literacy. There is evidence that shows being unable to speak and read English is likely to impact on health literacy thus affecting patient experience and potentially, health outcomes.

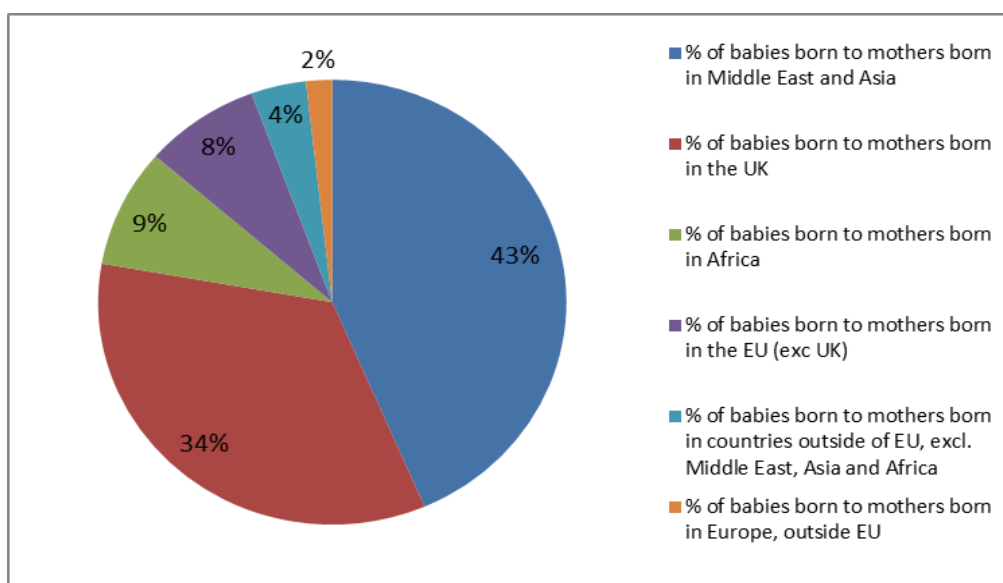
<sup>12</sup> Royal College of General Practitioners, “Health Literacy: Report from RCGP workshop” (2014) pg. 2

<sup>13</sup> NHS NW London (2008) *An independent review of serious untoward incidents and clinical governance systems within maternity services at Northwick Park Hospital*, pg15. (Report found common factors in the serious incidents including communication difficulties due to culture and language).

<sup>14</sup> Corporate Research Unit, LBTH (2013) Research Briefing 2013-02: Language in Tower Hamlets – analysis of 2011 census data

2.10 Moreover mothers who recently migrated to the UK often have poorer health literacy compared to other groups. According to the most recent population data, 66% of babies born in Tower Hamlets are born to mothers who were born outside the United Kingdom; mainly in the Middle East and Asia (43%) and Africa (9%).

**Figure ii) – Birthplace of mothers to babies born in Tower Hamlets (2012)<sup>15</sup>**



2.11 There are also congenital diseases and conditions which are specific to certain ethnic backgrounds, with a high incidence in Tower Hamlets due to its diversity. Moreover, women from some communities may be more vulnerable to infection due to lack of Mumps, Measles & Rubella (MMR) vaccinations.

2.12 Diabetes is a significant issue in maternal health and presents risks both to the pregnant woman and the developing foetus. Tower Hamlets has a higher than average prevalence rate of diabetes. It is also one of five boroughs in London with the highest number of low birth weight babies.

2.13 Many mothers in Tower Hamlets are vulnerable, isolated and need more intensive support than that which the maternity model alone can provide.

**2d) Maternity services in Tower Hamlets**

2.14 The new £650 million Royal London Hospital opened in 2012. Across its two sites (Barkantine and RLH) and including home births, there are now approximately 5,300 live births per year in

<sup>15</sup> GLA Intelligence Update 11-2014 (July 2014) Births by birthplace of mother: 2012 ONS data, GLA, London

Tower Hamlets with the majority of these (over 4,800) being in the main RLH. In line with national recommendations there are plans in place to improve awareness of choices, for example increasing the numbers of home births. The Barkantine Birth Centre opened in 2007 and is a free standing midwife led unit (MLU) suitable for women defined as 'low risk'. Around 400 of the 5,300 births annually in Tower Hamlets happen at the Barkantine. Additionally a small number of women give birth at home. Recent data puts this at 2% nationally.<sup>16</sup> For Tower Hamlets the home birth rate for 2015/16 is 0.9%, an increase from 0.4% in 2014/15. This is a total of 50 home births in 2015/16 compared to 24 in 2014/15.

- 2.15 The RLH deals with the largest proportion of high acuity births in the country and delivers excellent clinical outcomes. Stabilised & adjusted neonatal mortality rates for Tower Hamlets are more than 10% lower than the national average and stabilised & adjusted extended perinatal mortality rates are up to 10% lower than the national average. This is an impressive outcome and a significant achievement.
- 2.16 The maternity services department at the RLH delivers over 5,000 births a year. It comprises a 31 bedded delivery suite, 2 obstetric theatres, a recovery area and an obstetric level 2 high dependency unit on the 6<sup>th</sup> floor of the new hospital. There is a 31 bedded postnatal ward on the 8<sup>th</sup> floor which includes a number of babies receiving transitional care. The service is supported by a Level 3 neonatal unit with 36 cots of which 19 are Neonatal Intensive Care Units (NICU) or High Dependency Units (HDU)<sup>17</sup>, 10 special care baby units and seven for surgical neonatal cases.
- 2.17 The Barkantine Birth Centre is a freestanding midwife led unit (MLU) that opened in 2007 and is part of the RLH in that a core group of midwives and staff work across both sites. It is based within a community health centre on the Isle of Dogs. As it is midwife led there is no obstetric service on site, thus it is only an option for women who are assessed as likely to have low risk births. Approximately 400 babies are born each year at the Barkantine Centre. However, when complications arise that may require clinical intervention; women need to be transferred to the RLH. On these occasions, they are accompanied by their midwife who where possible will stay with them throughout the birth.
- 2.18 In 2014 there were 806 women who were booked to give birth at the Barkantine and of those, 402 had their babies there. The majority of women who had chosen the Barkantine but had their babies elsewhere were admitted to the RLH (46.9%). The Royal London hospital deals with some of the most difficult and complicated births in the country.
- 2.19 The Trust is due to open a co-located midwifery led unit in summer 2016 to address some of the current pressures and increasing demand. This is currently being built and is located on the 8<sup>th</sup> floor of the RLH. The new unit will accommodate up to 1500 low risk births in a 'home from home' environment and is designed on similar principles to the Barkantine Birth centre which has been recognised for offering an outstanding midwifery-led service. It offers an advantage in terms of its proximity to the obstetrics unit and it will be easy to transfer mothers who need clinical care due to complications.

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<sup>16</sup> National Maternity Review (op cit)

<sup>17</sup> See glossary

- 2.20 In addition to hospital services and primary care, there are a range of other community based, non-medical services to support women through pregnancy, birth and postnatal care. In Tower Hamlets there is a 'doula'<sup>18</sup> peer support service to provide additional help to vulnerable and isolated mothers called Maternity Mates and the National Childbirth Trust (NCT) are active locally in providing information, advice and support to families across the whole community. Tower Hamlets has an established, well-regarded and effective MSLC and the CCG has demonstrated a long term commitment to supporting the MSLC locally even though there is no longer mandatory funding.

#### *Barts Health Trust quality and performance*

- 2.21 Barts Health Trust has had a number of negative inspection reports in recent years and has consistently responded positively with improvement plans to address shortfalls in quality and performance. Since having been put into special measures in 2014, Barts Trust is going through an extensive change programme in leadership and culture. BHT is working towards coming out of special measures by the end of 2016/17. To do this BHT recognises that it must go beyond compliance but to aspire towards excellence and improvement. Senior managers from the RLH acknowledge that what is needed is a significant cultural shift and this will need to be led from the top of the organisation. The Trust is progressing towards this; a new leadership team is in place and BHT and the CCG are keen to work collaboratively with others to make the desired improvements.
- 2.22 In line with recommendations from the National Maternity Review and other reports, BHT has plans in place to increase awareness of home births and is aiming to enable more local women to give birth at home or in community rather than clinical settings.
- 2.23 The CQC inspection carried out in February 2015 rated maternity services at the RLH as 'requires improvement'. However the more detailed commentary and ratings against the CQC's five key lines of enquiry (key questions) found that the RLH is rated as 'good' against three of these; effective, caring and responsive. The rating for whether the service was well led 'required improvement' and in terms of safety the RLH was rated as 'inadequate'. The lower rating on safety was attributed to a lack of appropriate numbers of doctors and midwives. This shortfall in staff numbers was found to have negatively impacted on the quality of care received by some patients. The inspection also found that security for the maternity unit was a concern as there were high numbers of visitors to inpatient areas and electronic security systems were not in use. Barts Health Trust and the Tower Hamlets Clinical Commissioning Group (CCG) have put in place a number of action plans and initiatives to address these issues. It was noted in the National Maternity Review<sup>19</sup> that almost half of CQC inspections of maternity services result in 'inadequate' or 'requires improvement' ratings and there is a high degree of national variance.
- 2.24 Since the CQC inspection report was published in May 2015, BHT has appointed additional midwives to raise the staff ratio to compliance levels and has been funded to enable the

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<sup>18</sup> A 'doula' is a birth support person or birth companion. It is a non-clinical service intended to supplement medical care. See glossary for more information.

<sup>19</sup> Op Cit

service to operate at the recommended 1:28 ratio since June 2015<sup>20</sup>. The Trust are successfully filling vacancies and many mid-wives and support staff have been in post for some time (two or more years) which staff who were spoken to as part of this review felt had added to stability across the team.

### *RLH complaints*

- 2.25 Official complaints numbers at the RLH are reported to be reducing slightly over time. The RLH has seen an increase in positive feedback and complaints account for roughly half the feedback received. On average the RLH receives 7 official complaints per month about maternity services. The Maternity Services Data Set (MSDS) which is compiled nationally does not disaggregate data to the level of individual site. However, the latest data available for complaints at regional level<sup>21</sup> shows that there are slightly higher rates of complaints about maternity services (3.5% of all written complaints received) in London compared to the rest of the country (2.9%).
- 2.26 At a national level, and across all community health services, 11.4% of complaints are about staff attitude and 10% relate to various communication problems<sup>22</sup>. The majority of complaints that the Royal London maternity unit receives<sup>23</sup> are about communication issues at around 32%. Other issues include obstetric diagnosis and treatment concerns, appointment and clinic issues. There has been a gradual reduction in complaints about staff attitude and behaviour which is now below 3% of all correspondence. Many concerns over care are addressed through local resolution and Barts Health Trust has introduced a number of new mechanisms to better capture feedback from patients but national evidence from Healthwatch England (HWE) and data captured as part of this review suggests that significant numbers of people do not complain even if they feel they have grounds to, and some patients we spoke to didn't feel that they knew how to go about raising concerns.

## **3. Findings**

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- 3.1 The Panel examined various sources of patient experience information ranging from direct conversations with patients and family members on the site visits to feedback from patient organisations and the RLH along with reports and presentations from key organisations involved in capturing patient experience insight. Whilst some sources were likely to be more representative than others, some key themes came through strongly. The MSLC<sup>24</sup> for example, highlighted poor communication and rushed appointments, lack of information, lack of support during labour and lack of compassion as the key areas of inquiry.

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20 In 2015/16 overall the RLH operated at a ratio of 1:31.2 (BHT dashboard: performance data) which is not yet at the compliance level though midwife recruitment is a challenge nationally – see 2.4 in this report

21 HSCIC (April 2015) Compendium of Maternity Statistics 2013-14.

22 HSCIC (2015) MSDS national summary statistics 2014 - 15

23 Site specific data not available from published statistics – this information comes from internal BHT report submitted as evidence for this review

24 SAFH, (2015) MSLC presentation to Health Scrutiny Panel, 17th December 2015



3.2 In presenting and summarising the findings of this review it is important to stress that the Panel heard about a number of positive experiences from the RLH, particularly that new midwives and student midwives were considered ‘lovely’ by patients. It is worth noting that there is a notice board in the corridor of the RLH maternity unit which is covered with thank you cards from patients and their families. This illustrates the extent to which many women value the service at the RLH.

**Figure iii) Notice board at RLH**



3.3 The review evidence also included several detailed accounts from mothers who had had difficult births or who had babies who were born seriously unwell and praise for the emergency care teams was widespread. Some women who had previously given birth at the RLH noted improvements since their earlier time there.

*“In general I’ve found my care at the [Royal] London [Hospital] to be excellent, just overstretched at times”* (NCT survey respondent)

3.4 Many women who are defined as “high risk” and have complicated deliveries experience excellent care with the emergency care teams being particularly singled out for praise by patients. There are also examples of staff ‘going the extra mile’, for example midwives staying with patients beyond the end of their shifts to provide reassurance and care throughout a protracted labour and delivery.

*“The sisters on this team who cared for me as well as the anaesthetist, doctors and other staff were really amazing, truly caring and I feel so lucky to have met them and [that they]*

*delivered my baby even though he was two weeks overdue, very large and it was done with forceps”* (Patient feedback from HWTH report)

### **3a) Differences between the Royal London Hospital and the Barkantine Birth Centre**

- 3.5 In terms of scale, design, service model and patient experience the Barkantine Centre is very different to the main RLH site. The Barkantine is consistently rated as ‘outstanding’ by patients whereas feedback from the main RLH site, where the majority of births take place in Tower Hamlets is more mixed. There are a number of reasons for this variance. As reported previously, the Barkantine is on a much smaller scale than the main RLH and is designed only for ‘straightforward’ births. The environment is generally less busy, and it is designed to be ‘home-like’.
- 3.6 The National Childbirth Trust<sup>25</sup> (NCT) points out that those women who give birth in midwife led units (MLUs) are more likely to be cared for by the same midwife that they built a rapport with over the course of their pregnancy. The surroundings are relaxed and more private compared to a busy hospital ward. Women who give birth at a MLU are also more likely to be able to stay in the same room throughout their labour and postnatal care. As a freestanding MLU, the Barkantine has no medical facilities onsite so, for example women would not be able to get an epidural at the Barkantine should they need additional pain relief.
- 3.7 A number of women do start their labour at the Barkantine and have to transfer to the RLH due to complications. For example, in 2014, 71% of women who commenced labour at the Barkantine remained there through birth and postnatal care stages. Of those who transferred, the majority went to the RLH. 17.6% were transferred during labour (intrapartum<sup>26</sup> stage) and 11.3 % were admitted to the RLH after birth due to complications<sup>27</sup>. Women who are assessed as ‘low risk’ are eligible to use the Barkantine. Somewhat surprisingly demand for the service is manageable as many women prefer to give birth in hospital. Barkantine staff members who were consulted on the site visit said that whilst around 1,400 local women could potentially give birth there each year, only half actually choose to do so. Nationally, 94% of births take place in hospitals. National data is not available for where women would prefer to give birth, but a recent survey of pregnant women in Cumbria<sup>28</sup> found that 69% stated their birthplace of preference would be a hospital and only 5% opted for a freestanding MLU though this could be partially explained by the fact that Cumbria is very rural and it can take a long time to travel to the nearest maternity hospital from some areas. The Panel found that a direct comparison between the Barkantine and the RLH is not feasible or indeed particularly useful given the differences in scale between the two facilities. Neither should it be assumed that the majority of good experiences happen at the Barkantine.

<sup>25</sup> NCT website <https://www.nct.org.uk/birth/giving-birth-midwife-led-unit-or-birth-centre>

<sup>26</sup> See glossary

<sup>27</sup> Barts Health Trust (2015) Barkantine Birth Centre (BBC) stats 2014

<sup>28</sup> HW Cumbria & MSLC (2016) Maternity Matters: What does great maternity care look like? Pg. 15

- 3.8 It is also evident that the hospital are listening to patient concerns and taking these on board; for example the plans for the new co-located low risk unit on the 8<sup>th</sup> floor were influenced largely by the MSLC. Senior managers who were spoken to by Panel members on the site visits said that briefings on patient feedback were regularly produced and shared with staff on the wards.

### **3b) Compassionate care**

- 3.9 Compassion is one of the most important themes covered by this review, focusing as it does on patient experience. The National Maternity Review and other reports found compassion to be one of the key determinants of the quality of patient experience. Compassion can mean many things, but simply put it involves kindness, trust, empathy, taking time to listen and understand.
- 3.10 The Panel found examples across all of the evidence sources where care neither met the hospital's desired standards of compassion or empathy, nor patient expectations. The findings that the MSLC reported were thematically grouped around four main themes; poor communication and rushed appointments throughout the patient journey (antenatal, labour, postnatal), lack of information throughout the patient journey, lack of support during labour and finally, lack of compassion in the postnatal ward.
- 3.11 In their presentation, The National Childbirth Trust (NCT) stated that care is compassionate when patients feel that health professionals trust them, that women are treated as individuals and when small things happen which show that staff recognise how life-changing pregnancy and birth can be. Conversely care lacks compassion when women are treated as 'stupid' or not trusted, when pregnancy and births are seen as medical rather than life events and when women are treated as 'yet another pregnant woman' on a conveyor belt.

*"Small things make a big difference. This is first baby, I hadn't anticipated such a traumatic birth with emergency c-section, and of course I'm overjoyed to have a healthy baby who is starting to gain weight. Just simple changes in tone of voice, for staff to speak more softly and be reassuring [like saying] "we know this is new to you" and show empathy. Recognise they are busy but this shouldn't be so hard."* (Patient feedback to Panel member, RLH site visit, February 2016)

*"One (BME) woman was worried about the colour of her breast milk. She asked a member of staff about it who responded "It doesn't have to be white. We are not all cows." Whilst this may have been intended as a humorous and reassuring comment, the mum in question was really upset".* (Patient feedback to Panel members on RLH site visit, February 2016)

*"The night-time staff are not as good as the daytime staff. They can be rude and often don't respond to my requests"* (HWTH patient feedback)

- 3.12 The Royal College of Midwives' recent report on the state of maternity services nationally found that when staffing levels are inadequate, patient care suffers. In the past, the RLH did not meet the staffing ratio for midwives and clinical staff. It has also been noted in the CQC

inspection and internal improvement plans make reference to the need for better staff numbers. New midwives have now been recruited and since June 2015 the RLH has reached the recommended 1:28 funded ratio of midwives to patients, so it is reasonable to infer patient experience should now be showing signs of improvement.

- 3.13 However, the current picture appears to be mixed. Whilst it is difficult to quantify, a significant number of mothers are still reporting poor experiences at the RLH; this came through the Panel's site visits and conversations - albeit these gave a 'snapshot' rather than a fully representative view – as well as the presentations and reports from organisations involved in capturing insight from patient experience. The group of people who had poor experiences would appear to include a higher proportion of mothers who do not speak English as a first language though we do not have sufficient evidence as part of this review to assess the specific extent of poor patient care amongst those who are not English speakers.

**Recommendation 1:** That Barts Health Trust explores how it can further implement good practice on offering compassionate care, particularly for women who have had traumatic births and those who do not speak English as their first language.

- 3.14 These findings about the culture of care and how it impacts on patient experience suggest two things. Firstly that adequate staffing numbers or resources alone will not necessarily improve patient experience. Secondly that, given the diversity of patients and the fact that many women do not speak English as their first language, BHT needs to do more to ensure that the workforce better represents the diverse community it serves. Actively recruiting staff from similar backgrounds to many of the patients with the ability to speak other community languages would be a way to address this. A sense of shared cultural experience and background, as well as ability to communicate in the same language should help to improve compassionate care. As stated in the introduction to this report, the ability to speak and read English is a key factor that influences the quality of patient experience, and 35% of households in the borough do not speak English at home<sup>29</sup>.

**Recommendation 2:** That Barts Health Trust reviews its midwife recruitment strategy to ensure that it strengthens its approach to increasing the diversity of staff to reflect the characteristics of the local population.

- 3.15 The evidence that the Panel examined and heard differs in some respects from key findings from regulatory inspections. The Care Quality Commission (CQC) inspection, whilst giving an overall 'requires improvement' rating to maternity services at the RLH did rate the service as 'good' against three of its five lines of enquiry; effective, caring and responsive. This is interesting considering that much of the evidence from patient experience that the Panel examined found that compassionate care was often lacking. As noted earlier in this report, the CQC inspection found the service to treat patients with kindness, compassion, dignity and respect.
- 3.16 The CQC inspection of Maternity Services was performed by a dedicated team of inspectors in January 2015. The inspection was thorough and took place over a 24/7 period for 48 hours. It

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<sup>29</sup> ONS census 2011

also included a number of unannounced visits over a full week during the period of the review where a high number of women and staff were interviewed. The review report stated that the Friends and Family Test (FFT)<sup>30</sup> is a major source that inspectors use to measure patient experience and that there were very few responses from people who had used maternity services at the RLH. In light of this a number of other sources of patient feedback were used including in-patient surveys. CQC inspections all involve a review of performance literature but inevitably the methodology used is 'broad brush'. The inspectors noted that bereaved families were treated sensitively at the hospital<sup>31</sup>, that staff attitude to patients had improved since the 2013 National Maternity Survey and they observed staff being kind and compassionate to patients. However, the report also highlighted a number of less positive observations such as lack of capacity on the wards leading to compromised dignity in some cases where women had to share postnatal rooms. It also noted patient frustrations around shift changes and waiting times but these factors did not detract from the overall rating.

### *Great Expectations Programme*

- 3.17 In response to concerns about compassionate care, BHT introduced a cultural awareness programme for staff called 'Great Expectations'. This was designed to provide training and development around the "6 c's" – caring, compassionate, competent, communicative, courageous and committed. The project started in 2014 and a progress report is produced bi-annually. The latest report<sup>32</sup> outlines some improvements; particularly that patient complaints about staff attitude have decreased and that most staff agree that 'Duty of Candour'<sup>33</sup> is embedded in the service as openness and transparency are encouraged. However, these improvements when looked at in relation to the overall review evidence do not appear to have translated into a step change in patient experience.
- 3.18 The CCG in their evidence from the first review meeting said that they felt that the Great Expectations programme had made positive progress but there was still some way to go for it to deliver the desired level of improvement. The BHT results to the latest National Maternity Survey<sup>34</sup> for example, have not shown a significant increase in patients feeling that they are treated with kindness and understanding. 47% of the 325 respondents stated that this had not been the case for them<sup>35</sup>.
- 3.19 The review findings, particularly in regard to compassion and culture of care suggest that there is a *disconnect* between what the Panel heard, albeit a 'snapshot' from a small sample of people, and what managers, staff and indeed CQC inspectors perceive as the day to day reality of the service. The panel's general recommendation is therefore that something needs to be done to bridge this perception gap. A key question that has underpinned this review is what can the RLH do to give the Health Scrutiny Panel assurance that the extensive improvement plans that have been outlined over the course of the review will really deliver the desired outcomes for patients?

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30 See glossary

31 Care Quality Commission (May 2015), Royal London Hospital Quality Report, pp 81-82

32 Barts Health NHS Trust, (November 2015), Report on the Great Expectations Project

33 See glossary

34 Picker Institute (Dec 2015) National Maternity Survey: Barts NHS Health Trust

35 The results are for the whole of BHT not just RLH sites

- 3.20 As a way to resolve the above issue and ‘bridge the gap’ the Panel is proposing that a 6 – 12 month independent study is commissioned following the opening of the new co-located unit at the RLH to look in depth at patient experiences over time.

**Recommendation 3:** That Barts Health Trust carries out a 6-12 months in depth study focused on patient experience following the opening of the new co-located unit in August to provide deeper insight and assurance around improvement plans that are being implemented.

*Cultural differences in patient experience*

- 3.21 Whilst BHT does collect data on ethnicity and other factors, currently this data has not been published widely or analysed alongside other factors such as long term conditions. Therefore it is difficult to say with confidence that some specific groups are likely to experience better care than others. Nonetheless, given the qualitative evidence that was submitted for this review from a range of sources, the Panel felt it was important for measures to be taken to ensure a better experience for mothers for whom English was not their first language.

**Recommendation 4:** That Barts Health Trust develops options to ensure that there is sufficient time dedicated for a range of staff to provide information to patients, particularly for women who do not speak English as a first language.

- 3.22 The National Maternity Review<sup>36</sup> included a section on cultural differences and diversity which noted the following:

- More time needs to be allocated to antenatal and postnatal appointments so mothers and partners can process information understand the choices available to them and be informed about next steps. Linked to this there needs to be more engagement and outreach from providers to local communities
- Information should be available in a range of accessible formats and community languages. Interpreters should be available if needed.
- Midwives, doctors, support staff should never make assumptions about people’s choices based on cultural stereotypes, they should always ask.
- Specialist outreach services need to be available to the most vulnerable mothers
- Younger mothers more often feel that they are not listened to or trusted than older mothers. They particularly called for more postnatal support and for their decisions to be respected.

**Recommendation 5:** That Barts Health Trust ensures that it incorporates the findings and recommendations from the National Maternity Review in terms of how it tailors support to women who do not read and speak English.

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<sup>36</sup> Op Cit,

*Maternity Mates*

- 3.23 The Maternity Mates service is commissioned by the CCG to support women from various backgrounds and/or with complex needs.<sup>37</sup> Maternity Mates is a doula service<sup>38</sup> that has been operating since 2013. Maternity Mates are volunteers from the local community who receive accredited training and work alongside midwives and health professionals to make sure that mothers can understand issues and decisions affecting their care. They provide emotional and practical support before, during and after the baby is born. The service was set up in recognition that many local women can be vulnerable and isolated, or have more support needs than the ‘medical model’ of maternity care can address. The Panel heard that the service has proved particularly helpful for women who are new to the UK and may not have family or a support network nearby. Though the project has been at a small scale to date, by March 2015, 31 local women had been trained as Maternity Mates and 71 mums had been supported. 95% of the women who had received the service reported positive outcomes and the majority of trained Maternity Mates said the training had improved their confidence in terms of going on to paid employment. Some were considering further professional training as midwives or health professionals. The service was valued by RLH staff who saw it as offering continuity of care and additional support that midwives cannot always provide. Nonetheless, it is a resource intensive service and the CCG is evaluating it with a view to providing a comprehensive analysis of its effectiveness and sustainability. WHFS have recently been awarded a Big Lottery Fund grant of £448,330 to expand the Maternity Mates service in East London over the next three years<sup>39</sup>.
- 3.24 The Panel recognised the long term potential of the Maternity Mates service in terms of trained volunteers going on to become midwives and nurses and thus the BHT workforce becoming more representative of the local community. BHT have noted the impact that the service has had to date, and are keen that it expands to support more women. A second phase “Maternity Mates + “ service, working not just on antenatal care but working alongside midwives on wards and in the community post birth could be a valuable addition to local service provision and expanding the service would help to promote midwifery as a career option for local women who may not have considered it previously due to cultural barriers. The Panel felt that it would be useful to expand the service to include more outreach work and involvement from minority groups. For example, Tower Hamlets has the 9<sup>th</sup> highest proportion of Somali residents nationally<sup>40</sup>, but the council’s recent Somali task force project highlighted that this community is particularly hard to reach in health improvement initiatives generally.

**Recommendation 6:** That subject to the findings of an evaluation of the Maternity Mates service; Tower Hamlets Clinical Commissioning Group and Barts Health Trust work to further develop and strengthen the Maternity Mates service to expand its role working with midwives and local women in hospital settings and the wider community. This should include working

<sup>37</sup> Presentation from WHFS, HSP Review Meeting, 17/12/16

<sup>38</sup> A doula is an additional support service for mothers – see glossary

<sup>39</sup> WHFS press release, *Big Lottery Fund grants £448,330 to Tower Hamlets project supporting vulnerable women during pregnancy*, 10/5/2016

<sup>40</sup> LBTH (March 2016) Profiling the Somali-born community: Update report for Somali task force (Source data – 2011 census, ONS)

with a diverse range of local women both as service users and Maternity Mates with a particular focus on minority groups such as the Somali community.

### *Cultural change*

- 3.25 The National Maternity Review highlights the vital role of leadership in setting the right culture for compassionate care. Cultural change will only happen if it is led from the top of the organisation. The Panel found that leadership at Trust level is key to getting the transformation required. Previous review reports over the years have raised similar concerns to those that are covered in this review, however the necessary pace of change has not been realised. Given the major changes to the leadership at BHT the Panel are more confident that the step change that is required to get the right culture in place is likely to happen over the next few years. One of the outcomes of this review is to present the findings at a high level meeting with the CEO of the Trust who has indicated she will lead on ensuring that the recommended improvement plans are in place and monitored.

### **3c) Consistency and continuity of care**

- 3.26 Continuity of care is one of the key recommendations from the National Maternity Review. It found a culture of “silo working” and a “lack of respect” between midwives, obstetricians and other healthcare professionals in trusts across England. The review found problems with communication, handovers and disagreements about how to handle situations, such as the transition to specialist care. The need for better working relationships between staff groups – including with health visitors, nurses, neonatologists, GPs, paediatricians and anaesthetists – was highlighted by both midwives and obstetricians who submitted evidence to the review. All of these issues can impact on care received by patients.
- 3.27 The senior managers, midwives, clinicians and frontline staff who were spoken to as part of this review all said that one of the things they value working at the RLH is the strong team-working ethos. There are clearly mutually respectful and supportive relationships between obstetricians and midwives. However, the review evidence highlighted a few problems and inconsistencies. For example, there were reported incidents where ward coordinators had been rude to midwives and clinicians.
- 3.28 Patient experience feedback drawn from the various review sources (Healthwatch TH, MSLC, and NCT) showed that there were sometimes problems in terms of inconsistent communications when shifts change. Some patients felt that night staff were less compassionate and caring than the day staff. Patients also reported that they sometimes got conflicting information and advice from midwives and doctors which caused confusion. The CQC observed a small number of frustrations from patients having to explain their case repeatedly to different staff members during their inspection in February 2015.



*“The midwife and doctor give inconsistent advice on health problems; findings from examination, reasons for taking medication”* (HWTH evidence)

*“I got very fed up with having to explain what happened every time someone new came or shifts change.”* (Patient feedback, RLH site visit)

*“I was in a lot of pain and the consultant said I could have an epidural but I would have to agree straight away as [consultant] was going off duty in 15 minutes. An epidural is a big decision and you can’t just make a snap judgement purely because shifts are changing”* (Patient feedback, HSP site visit)

- 3.29 The findings from the RLH suggest that handovers between shifts are not always as seamless as they should be and there are instances where this leads to inconsistent advice and frustration for patients. The fact that a key member of the clinical team is going off duty shortly should not impact on the patient. The national maternity review which brought together evidence from maternity services across the country found that too often, patients do not experience continuity of care and have to repeatedly explain their circumstances<sup>41</sup> to different staff members.

**Recommendation 7:** That Barts Health Trust regularly reviews the process for conducting handovers between shifts to ensure that this process is as seamless as possible for staff and patients.

### **3d) Communication: information, choice and control**

- 3.30 Communication is consistently a main factor which determines the quality of patient experience. Problems with communications are now the most frequently cited reason for official complaints from patients in maternity services at the RLH<sup>42</sup>. A number of patients the Panel spoke to as well as evidence from the review presentations highlighted that patients did not always feel they were able to make informed choices about their care. Whilst this was an issue for women across different cultural backgrounds it was a particular challenge for those who do not speak English as a first language.

*“I am very confused now. Every time I come here..... they don’t share diagnosis with me”* (HWTH patient feedback)

*“At the end of my pregnancy my baby showed no sign of arriving. I spoke to a midwife and turned down induction. She.....made me feel like I’d made a terrible decision and put my baby at risk.” [Baby eventually showed up and was fine with no medical intervention]”* (NCT survey respondent)

*“It would be better if staff informed you of the progress of the labour and what will happen next”* (Patient feedback, NHS Choices, 26th February 2016)

<sup>41</sup> Asking patients their name and details is a way that hospital staff check that case notes are correct

<sup>42</sup> Barts NHS Trust, (Feb 2016) Report to CQRM RLH (op cit)

- 3.31 The national review of maternity services called for patients to be enabled to make informed choices at all times about their care and for their decisions to be trusted and respected by midwives and clinical staff. Clearly there are situations when critical decisions have to be made and patients should feel confident and able to trust the staff to be acting in their best interests.
- 3.32 The most recent National Maternity Survey data for the RLH shows that nearly half of survey respondents (44%) said they were not involved in decisions about their care.<sup>43</sup> The RLH has prioritised involvement in decisions as a key priority for 2016/17.
- 3.33 Giving birth is never without risk and a few patients we spoke to felt that their experience would have been better had they been forewarned about any potential problems and their choices in the event of complications. The RLH has recently produced a whole new suite of patient information materials and these should be helpful in addressing the demand for better quality information. There is also a need to ensure that this information is accessible and understandable for the diverse population. To this end, the RLH are working with the MSLC to check the new materials in terms of ease of understanding and accessibility.

**Recommendation 8:** That Barts Health Trust reviews the information provided as part of antenatal and postnatal care and works with patient groups (Maternity Services Liaison Committee, Healthwatch Tower Hamlets, National Childbirth Trust) and local residents to ensure information is accessible, appropriate and meets local needs.

### **3e) Women's involvement in planning and monitoring services**

- 3.34 The MSLC is one of the main mechanisms whereby women's views are collated and fed back to the RLH to inform service improvement plans. The MSLC model is based on supporting women to shape and influence their local maternity services with an emphasis on reaching out to those who are seldom heard. The MSLC has demonstrated its impact in a number of ways including the idea for the Great Expectations project to improve staff attitudes (See section on compassionate care). Significantly it was an MSLC petition that sparked the plan for a co-located birth centre at the new RLH which is due to open in July 2016. The MSLC found that many women were keen to have clinical care close by and this is a barrier to some people choosing to give birth at the Barkantine.

*"I don't want to use the Barkantine birth centre as there are no doctors available."* (MSLC patient feedback)

- 3.35 In terms of monitoring services, the MSLC have also set up a project called **mum2mums check** which involves MSLC volunteer mums visiting maternity wards and speaking to patients in their own language to gather feedback which is then reported back to BHT. This has been found to work well as it enables local women to give their views confidentially and independently to peers who are not NHS staff, thus tackling some of the barriers that can deter people from giving their feedback. (This issue is covered in more detail in the section on patient feedback.)

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<sup>43</sup> Barts Health NHS Trust, Report to CQR Royal London Hospital (February 2016)

- 3.36 The MSLC are involved in an ongoing dialogue with BHT and are regularly consulted on improvement plans, for example the issue on partners paying to stay overnight at the RLH. The MSLC meet with BHT on a quarterly basis and the NCT are represented at the meetings.

**Recommendation 9:** That the Tower Hamlets Clinical Commissioning Group continues to fund, support and strengthen the Maternity Services Liaison Committee as a key mechanism for involving local women in shaping the future of maternity services in the borough.

### **3f) Capacity, organisation and administration**

- 3.37 This review along with the CQC inspection report has highlighted some ongoing concerns with resources, capacity and organisation. Problems were particularly reported around waiting times in prenatal triage ward. In postnatal areas single rooms were sometimes occupied by two people because of capacity issues but this compromised dignity and privacy. Staff who were consulted in this review recognised this was an issue.
- 3.38 The CQC inspection report noted the pressures on capacity in certain areas of the maternity unit at the RLH. The new co-located low risk facility on the 8th floor should in many ways help to alleviate the pressures and improvements in staff numbers should also have a positive impact. However, there are a number of additional areas that should be looked at. For example, the National Maternity Review noted that a higher proportion of staff time across the country was found to be allocated to collecting data and administrative work, though the quality of data is generally poor and it is paper based rather than electronic. The strong feeling from both staff and patients who took part in the national research felt that the administrative and data burden was detrimental to the quality of patient care.

#### *Hospital discharge planning*

- 3.39 Patient evidence from the various sources examined as part of the review mentioned discharge planning as an area that could be improved. A number of patients said they were not informed until the last minute that they were to be discharged, which meant they had been unable to plan for partners to come and collect them or make arrangements to look after other children at home. Conversely, some patients were told they were going to be discharged and got ready but were delayed for a number of administrative reasons.

*“I am a bit upset they didn’t tell me they will discharge me this morning and my husband didn’t bring anything for me.....just two hours ago they told me to get ready”* (MSLC patient feedback)

*“I was advised that I can leave as soon as my discharge notes are completed. I waited until 9pm and I was told the notes will not be completed until the following day.”* (MSLC patient feedback)

- 3.40 A third issue with discharge was the time taken to explain discharge notes and aftercare. This is particularly the case for women who do not speak English as their first language.

*“I wasn’t given any advice or reassurance after I had a low birth-weight baby and I was left concerned”* (MSLC feedback from European woman, Feb 2015, RLH)

*“I had a very traumatic birth .....I had a rare condition which I have since researched on the internet. When my GP read my discharge notes he was at a loss about my diagnosis and how he or other health professionals could help prevent a similar thing happening should I decide to have another baby.”* (Patient feedback, HWTH, East European woman)

**Recommendation 10:** That Barts Health Trust strengthens its discharge planning with patients and ensures that adequate time is taken for patients to understand the information provided and that it reflects their needs and choices. This is particularly the case for women who do not speak English as a first language.

### *Resource allocation and design*

- 3.41 Staff at both sites highlighted one of the key differences between the Barkantine and the RLH was that staff are more rushed at the RLH and it can often take some time to find equipment and resources they need, this means they have less time to spend with patients.
- 3.42 Midwives that were spoken to as part of the review mentioned that the sheer scale of the maternity unit at the RLH meant that sometimes resources were difficult to access even though there is an equipment store and a resource allocation system. Some staff felt they spent a lot of time ‘running around’ to find things which meant they had less time to devote to patient care. Patients often appreciated the pressures on staff and patient feedback from across the evidence sources in the review mentioned how rushed and stretched that staff were.

**Recommendation 11:** That Barts Health Trust reviews its resource allocation systems to enable staff to have more time to spend with patients.

- 3.43 A frustration expressed by staff was that neither they nor patients had been involved in the design specification for the new hospital. They felt there were some current problems that could have been avoided had their expertise been sought in the design stage. For example small pantry areas dispersed throughout the maternity wards would mean patients could more easily get a hot drink, thus they wouldn’t have to rely on staff to do this for them. Patients who had experienced complicated deliveries told the Panel that it was difficult for them to get up and move around, so facilities for getting drinking water or to make hot drinks were not accessible and they often had to rely on family members. The toilets were thought to be too far from the High Dependency Unit; and there is no staff toilet near this area which can be a particular issue. Whilst it is too late to ‘retrofit’ the new hospital on principles informed by the staff and patients who use a facility, as a general principle BHT should engage

frontline and clinical staff as well as patient groups in the design stage of new or improved wards or facilities.<sup>44</sup>

**Recommendation 12:** That Barts Health Trust builds on its work to engage staff groups and patient organisations in plans for designing wards and waiting areas.

**Recommendation 13:** That Barts Health Trust develops a ‘listening in action’ programme so that midwives and ward staff can share practice with managers and learning is cascaded ‘up’ the management chain.

- 3.44 Whilst the RLH is now resourced at the recommended staff ratio for midwives (1:28) and a new obstetrician has recently been recruited to add to the clinical team, there is still the issue of rising demand. The CQC inspection report notes that capacity at the new RLH is already stretched since opening in 2012. The inspection report notes that the birth rate in Tower Hamlets is increasing at a rate of 2% per year. The new co-located unit will alleviate some of these pressures, but it is important that the RLH is able to ensure that its staff capacity and resource levels can meet ever increasing demand. Some managers that were consulted felt that the model for making business cases for more staff was flawed as it does not prioritise projected demand as much as current and recent performance evidence.

**Recommendation 14:** That Tower Hamlets Clinical Commissioning Group and Barts Health Trust review the demand modelling process to ensure they can better understand future demand and enable Barts Health Trust to ensure sufficient resources can be allocated more swiftly to meet peaks in demand.

### **3g) Patient experience: feedback and complaints**

- 3.45 The Panel has found that there are a number of problems which affect the extent to which the findings can be said to be truly representative. Previous sections of the report have highlighted a disconnect between the views of different stakeholders and the evidence presented based on patient experience as part of this review. This section looks at how the method and mechanism designed to capture patient feedback can affect the overall results and the extent to which patients are confident and willing to share their views.
- 3.46 The Panel heard from a number of people and evidence at the review meetings that patients did not feel that their views were sought about their experiences and there are a number of factors which mean people do not necessarily give feedback even if they feel they want to. The national maternity survey and the Friends and Family Test (FFT)<sup>45</sup> have a comparatively low response rate, so it is difficult to assess whether the views heard as part of this review were entirely representative.

*“I would happily have filled in [Friends and Family Test questionnaire] but never received one!”* (Patient feedback, NHS Choices)

<sup>44</sup> Op cit

<sup>45</sup> Patient feedback mechanism introduced by NHS England in 2013. See Glossary

3.47 Healthwatch England national research highlights that more than half of women want to give feedback on maternity services and to contribute to service improvements but 70% do not know how. Clearly this is not just an issue for the RLH or indeed BHT, but one of the obstacles which make it difficult to give an accurate assessment of overall patient experience at the RLH.

*“I’m really glad you are collecting feedback; I always meant to complain or report my experience because I felt it was important that other women didn’t have to go through the same stuff but somehow life (and a baby of course) got in the way.....”* (NCT survey respondent)

3.48 Accepting there are limitations with data as outlined in the introduction to this report, the National Maternity Survey<sup>46</sup> is the largest, quality assured survey designed to capture patient experience data around maternity services. Therefore it is useful as a baseline for comparing the other evidence examined in this review. The survey is commissioned by the CQC and carried out annually at the same time of year to enable trends analysis. It should be recognised that the response rate was low for BHT (30%) compared to 41% nationally. The high number of women who cannot speak or read English across BHT hospital sites may partially explain the low response rate locally. The results are not disaggregated to site level<sup>47</sup>, but Trust level data for BHT shows consistently poorer results compared to other areas. The survey found that BHT’s results were worse than expected in 74% of all the questions. Some of the biggest disparities between the results at BHT and national averages are shown in the table below:

**Figure iv) Key results from National Maternity Survey (Picker Institute)**

Question	BHT average	National Average	Difference
Labour and birth: concerns not taken seriously	29%	19%	-10%
Labour and birth: Not treated with respect and dignity	27%	14%	-13%
Labour and birth: Not always able to get help by a member of staff within a reasonable time	37%	21%	-16%
Labour and Birth: Did not have confidence and trust in staff	37%	21%	-16%
Postnatal Hospital Care: Not treated with kindness and understanding	47%	31%	-16%
Postnatal Hospital Care: patient not having anyone close by to stay as long as they wanted	59%	44%	-15%

3.49 One of BHT’s key objectives is to “maintain a relentless focus on delivering high quality, safe and compassionate care for women, babies and families and meeting quality priorities to ensure a consistently good patient experience.” The results reported above taken together with the evidence that has informed this review suggest that there is still some way to go before this is a reality for everyone who gives birth at the RLH.

46 Picker Institute, National Maternity Survey – trust level results, December 2015

47 The BHT data includes Newham hospital and Whipps Cross as well as the RLH

- 3.50 The National Maternity Survey results for BHT have seen some small improvements compared to the previous survey (2013) for example performance in terms of choice of where to give birth, and getting appropriate advice from the midwife have both got better.
- 3.51 BHT has developed an improvement plan for 2016/17 based on the disappointing National Maternity Services results to address key issues. The plan includes actions to improve time allocated to appointments and to ensure that midwives listen and understand patient concerns. BHT is also reviewing care planning to enable women to make informed decisions about their care and is producing a new postnatal care information pack which will clearly state expected standards of care. Whilst all these initiatives are to be welcomed they need to be assessed in terms of the improvement that they are making to patient experience.

**Recommendation 15:** That Barts Health Trust improves the way that data on patient experience is collated and finds a way of bringing together data from various sources that can be analysed at a sufficient level of granularity, for example ethnicity, age group and site specific.

- 3.52 In spite of the caveats with the patient experience data that have been noted, it is clear from available evidence that patient experience of maternity services in the BHT hospitals overall (including the RLH) has been consistently poorer than peer organisations. The national survey results corroborate with the various sources of evidence that formed part of this review. For example, between July 2014 and December 2015, HWTH compiled a report based on 84 comments they had received and sentiment analysis showed that 26 of these were broadly positive, 42 negative and a further 16 that were mixed or neutral.
- 3.53 Senior managers from BHT who took part in this review and presented evidence stressed that it is vital that they receive as much feedback about patient experience as possible. To this end, BHT have recently launched 'iwantgreatcare<sup>48</sup>'; an online portal designed to capture feedback from patients and bring together patient experience evidence from other sources to build a more accurate and representative, current picture of patient experience.

**Recommendation 16:** That Barts Health Trust strengthens how it is using patient feedback (good and bad) and to demonstrate to patient representative groups how this feeds into improvement plans.

- 3.54 Previous sections of this report have noted a 'perception gap' or 'disconnect' between the views of managers and staff and the evidence of patient experience that has been examined in this review. One key part of addressing this gap is improving the quality of data on patient experiences and making the process for capturing data as simple and accessible as possible. Existing methods have their limitations and often there is a considerable time lag between the time a person was in hospital and when they are asked to give their views which can impact on both response rates and the way evidence is reported.

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<sup>48</sup> <http://www.iwgc.org/> this is an independent web based resource similar to 'Trip Advisor' and used by a number of health trusts nationally though not all.

- 3.55 What is needed is an effective, simple, intuitive patient centred way to capture feedback, both positive and negative at or near the critical time; while the mother is in hospital or shortly afterwards. Equally in order to encourage honest feedback, patients must not feel reluctant to speak about their treatment or worry that complaining may have a negative impact on their future care. The hospital, working with MSLC and HWTH should look at how it can optimise availability of a 'safe space' to give feedback. It has already introduced a Birth Reflections Service allowing mothers to come back and discuss their experience with a consultant midwife, but it is too early to assess the impact of this. The Mums2Mums project run by the MSLC draws on the expertise of the local community to undertake peer review of the service and thus overcomes some of the barriers around language and culture that have been highlighted in this review, so it is important that learning from this initiative is built into the improved system for gathering patient insight.
- 3.56 The National Maternity Review reported that many women across different age groups and cultural backgrounds across the country felt that the 6 week postnatal check that is offered with a General Practitioner (GP) as standard is inadequate. They highlighted the need for someone to talk to around mental health, depression, support for breastfeeding and more aftercare where births have been traumatic. Public Health have offered to explore how the mandatory 6-8 week health visitor check could incorporate recording patient feedback and HWTH have been invited to advise on how this might be achieved.

**Recommendation 17:** That Barts Health Trust works with patient representative groups and forums to develop easily accessible, timely and intuitive ways to give feedback. Linked to this that Public Health review how the new birth visit (and 6-8 weeks check) could provide an opportunity to better capture patient experience feedback and to develop a process to feed this information back to Barts Health Trust.

## 4. Conclusion

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- 4.1 This review has shown that it is difficult to pull together an entirely accurate and representative picture of patient experience at the Royal London Hospital. However, the evidence from all sources that this review has examined suggests that there is some way to travel before patient experiences reach the standard that should be expected for everyone. It is apparent that the Royal London Hospital achieves excellent clinical outcomes demonstrated by the results of the MBRACE report in both 2013/14 and again in 2014/15, which is a commendable and significant achievement given the proportion of very complex births that it deals with within an area of high deprivation and increasing birth rates. However, what is needed now is a push towards ensuring that patient experience is of an equivalent standard for all women who give birth at the RLH.
- 4.2 The Panel is satisfied that planned improvements being implemented by BHT are having some impact. The new co-located midwife led unit at the RLH planned to open in summer 2016 will go some way to alleviating current capacity pressures. Crowded wards and long waiting times have sometimes compromised dignity and privacy for patients. It is vital that making patient experience better for everyone is a key priority for BHT going forward. For this to happen, the support of leadership at the very highest level of the Trust is necessary.



- 4.3 One key theme in this review is the apparent 'disconnect' between senior managers and frontline staff views of the service provided at the RLH compared to some of the feedback which has come through the various sources of patient experience data that have been examined for this review. Therefore the Panel has recommended that a long term 'deep dive' study on patient experience should be conducted when the new co-located maternity unit opens at the RLH in summer 2016. Linked to this, the panel also made recommendations for improving data collection and reporting.
- 4.4 Clearly the hospital and Barts Health Trust are under pressures that are affecting the whole NHS across England as well as addressing challenges including difficulties in recruiting a workforce that is representative of the local population.
- 4.5 The Panel is keen for the council and other partners to work with BHT to address the current challenges and ensure that there is high quality maternity care for the increasing numbers of women giving birth in the borough now and in the future.
- 4.6 To this end the panel is pleased to hear that changes in the leadership and culture at BHT mean that senior managers from the Trust are keen to work with the Panel and other partners. The Panel welcomes the renewed appetite for joint working from BHT and looks forward to working together to improve maternity services for the future.

## APPENDIX A: GLOSSARY

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**BHT – Barts Health NHS Trust:** the Trust is a merger of three previous trusts; Barts and the London, Newham Hospital and Whipps Cross. It is one of the largest healthcare organisations in Europe and the Royal London Hospital (RLH) in Whitechapel is its largest site. The RLH moved to a new site in 2012. The trust employs 15,000 people and is the main provider of health care services in Tower Hamlets.

**Birth Rate:** Number of live births per thousand of the population annually.

**CCG – Clinical Commissioning Group:** Tower Hamlets NHS CCG was formed as part of the implementation of the Health and Social Care Act 2012 legislation. Established in April 2013 it is a clinically led organisation bringing together all 36 General Practices in the borough. It is responsible for commissioning most hospital, community and mental health care services in Tower Hamlets.

**Doula:** A birth support person or birth companion. The provision of continuous support during labour from a doula is associated with improved maternal and fetal health and a variety of other benefits, including lower risk of induction and interventions and less need for pain relief. Maternity Mates is the local doula service in Tower Hamlets.

**Fertility Rate:** Average number of children born to a woman of childbearing age (15 – 49) over the course of her lifetime. Replacement fertility rate – where the level of population replicates itself from generation to generation is set at 2.1. Human geographers use the Total Fertility Rate (TFR) as an indicator of population change over time.

**FFT – Friends and Family Test:** A patient feedback tool that was introduced by NHS England in 2013 to give patients across all NHS funded services the opportunity to feedback about their experience. It asks whether the patient would recommend the service to friends and family.

**HDU – High Dependency Unit:** Similar to intensive care, this is an area of hospital where seriously unwell patients access a higher level of care where specialist medical expertise and equipment are available.

**HWTH – Healthwatch Tower Hamlets:** Independent consumer champion that listens to patients came into being on 1st April 2013 as part of the implementation of the 2012 Health and Social Care Act. Every top tier, metropolitan and unitary borough has a local Healthwatch organisation which the local authority has a statutory duty to commission.

**HSCIC – Health and Social Care Information Centre:** Body responsible for compiling data and statistics about NHS provided services in the UK.

**Intrapartum** – care during labour and delivery or childbirth

**MLU – Midwife Led Unit** – The Barkantine Centre is an example. It is a freestanding unit set within community health centre, designed to offer a ‘home from home’ environment for

women to give birth. This type of facility is only suitable for women who are 'low risk' as there is no medical care onsite.

**MSLC – Maternity Services Liaison Committee:** Community led group that aims to capture patient experience and ensure that provider organisations take patient views into account. MSLCs were established as a measure to ensure collaborative engagement between those providing and receiving maternity services. Prior to 2012 MSLCs were a statutory function of the Primary Care Trust (PCT). Since the dissolution of PCTs, there is national variation as to whether MSLCs are in place, and the extent to which they are funded and supported.

**NCT – National Childbirth Trust:** An independent charity set up to give impartial advice to women and families so they are able to make informed choices about their care. For more information see <https://www.nct.org.uk/>

**NICU – Neonatal Intensive Care Unit:** A hospital based intensive care unit designed to support premature and low birth weight babies and newborns who are critically ill and require a high level of clinical care.

**SAFH – Social Action for Health:** A community development organisation based in East London. SAFH runs the Maternity Services Liaison Committee (MSLC) in Tower Hamlets. For more information see <http://safh.org.uk/>

**WHFS – Women's Health and Family Services:** a multicultural community health charity that works to improve health for disadvantaged groups. The WHFS run the Maternity Mates service in Tower Hamlets <http://www.whfs.org.uk/>

## APPENDIX B: ACKNOWLEDGEMENTS

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The Health Scrutiny Panel would like to thank everyone who has contributed to the review, particularly colleagues from Barts Health Trust, the Tower Hamlets Clinical Commissioning Group, the Public Health Department and the local organisations who submitted evidence and presented reports as part of the review.

Cllr Amina Ali	Chair of Health Scrutiny Panel (HSP)
Cllr John Pierce	Vice-Chair HSP
Cllr Dave Chesterton	HSP member
Cllr Sabina Akhtar	HSP member
Cllr Abdul Asad	HSP member
Cllr Danny Hassell	HSP deputy
Farzana Khanom	HSP Co-optee (MSLC)
Sultana Uddin	HSP Co-optee (MSLC)
David Burbidge	HSP Co-optee (Healthwatch Tower Hamlets)
Tim Oliver	HSP co-optee (Healthwatch Tower Hamlets)
Sandra Reading	Barts Health
Alison Herron	Barts Health
Deborah Kelly	Barts Health
Jo Carter	Barts Health
Jamie Whitburn	Barts Health
Matt Hogg	Barts Health
Mary Olusile	Barts Health
Anita Sanghi	Barts Health
Heidi Mulhall	Barts Health
Catherine Platt	Tower Hamlets CCG
Ellie Hobart	Tower Hamlets CCG
Dianne Barham	Healthwatch Tower Hamlets
Max Geraghty	Care Quality Commission
Jasmin Begum	Maternity Mates
Shabira Papain	Social Action for Health
Carly Bond	Social Action for Health
Ceri Durham	National Childbirth Trust
Peter Lamb	Public Health (LBTH)
Simon Twite	Public Health (LBTH)
Esther Trenchard-Mabere	Public Health (LBTH)
<b><u>Officers who supported the review</u></b>	
Afazul Hoque	Interim Service Manager, Strategy, Policy & Performance, (LBTH)
Daniel Kerr	Strategy, Policy & Performance Officer (LBTH)
Sarah Vallelly	Strategy, Policy & Performance Officer (LBTH)

<b>Report of the</b> agreed action plan following the Health Scrutiny Review and development of the Maternity partnership board between LBTH, THCCG and Royal London Hospital, Bart's Health.	<b>September 2016</b>
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<b>Title</b>	Action plan following the Health Scrutiny Review and development of the Maternity partnership board between LBTH, THCCG and Royal London Hospital, Bart's Health.
<b>Sponsoring Directors</b>	Sandra Reading Director of Midwifery
<b>Author(s)</b>	Sandra Reading Director of Midwifery Bart's Health Alison Herron Associate Director of Midwifery Royal London Hospital
<b>Purpose</b>	The Health Scrutiny Panel (HSP) identified the performance of maternity services at the Royal London Hospital (RLH) as the subject for a review in its work programme for 2015-16.  There are a number of recommendations of the report that have been themed under 4 headings to enable services to implement and support on-going improvements
<b>Previously considered by</b>	Women's Health Quality, Safety and Assurance committee

<b>Related Trust objectives</b>	
<p>Maintain a relentless focus on delivering high quality, safe and compassionate care for women and babies.</p> <p>Meet all national minimum performance standards and regulatory requirements, delivering consistent and standardised clinical practice.</p>	

<b>Risk and Assurance</b>	This overview report provides an update following receipt and subsequent analysis of the Health Scrutiny Panel of the London Borough of Tower Hamlets Report of Maternity Services at the Royal London Hospital
<b>Related Assurance Framework entries</b>	London Safety Standards 2013 Care Quality Commission (CQC) State of Care Report 2015 CQC Report Bart's Health 2015 Maternity Survey Bart's Health 2015 Health Watch England Briefing on Maternity Care 2015 The National Maternity Review 2016

<b>Legal implications/ regulatory requirements</b>	This report provides assurance against the Operating Framework and the regulatory requirements
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## INTRODUCTION

The Health Scrutiny Panel (HSP) identified the performance of maternity services at the Royal London Hospital (RLH) as the subject for a review in its work programme for 2015-16. The review commenced in September 2015 and completed in April 2016. The Panel wanted to find out the extent to which patients' experiences have improved since the move from the old Royal London Hospital (RLH) to the new site which opened in 2012 and to examine the improvement plans that Barts Health Trust (BHT) and the Tower Hamlets Clinical Commissioning Group (THCCG) have developed. Through listening to patient feedback the review explored the extent to which women are involved in monitoring and planning services and how accessible and responsive services are for people from different social and equalities backgrounds. The Panel members were also keen to understand the reasons for the differences across the sites (RLH and Barkantine Birth Centre) and the extent to which various improvement plans were impacting on the quality of patient experience. The overall aim of the review was:

- To understand the reasons for differences in patient experiences from the Barkantine Birth Centre compared to the RLH;
- To assess the actual and planned impact of various initiatives and programmes that Barts Health Trust (BHT) has put in place to improve patient experience in maternity care;
- To evaluate evidence from a range of sources of data in order to understand whether there are inequalities in terms of the quality of patient experience that affect particular groups or communities.;
- To look at the role of local community services that are designed to support pregnant women through their pregnancies and birth and how these services can be developed further;
- To explore the extent to which local women are involved in planning and monitoring services.

It was recognised that a key challenge in terms of presenting an overall picture of the quality of patient experience is the availability of quality assured data from a range of sources. National surveys (Picker Institute) only offer a snapshot at a point in time and there is usually a significant time lag between event and data capture and response rates to such surveys tend to be low. This undermines confidence that the results are representative and without an overarching system for bringing this altogether in one place. The main objective of the review was therefore to produce informed and practical recommendations based on the evidence gained to help the RLH and partners improve maternity care for the future.

## BACKGROUND

Annually 5,300 women give birth in Tower Hamlets, and the majority of them have their babies at the RLH. Clinical outcomes at the RLH are excellent, and the hospital deals with a high proportion of complex, high acuity births. However, a number of inspections and investigations that have taken place in the last two years; most significantly the report of the Care Quality Commission published in May 2015 have raised concerns about aspects of the service, for example long delays in waiting areas and inadequate staffing levels. It is recognized that issues such as staffing deficits can impact on patient care.

The birth rate in Tower Hamlets is increasing, with approximately 500 extra births per year expected by 2024. According to the latest population projections, the anticipated birth rate for 2019 has already been exceeded in 2015/16. This is a substantial number and it will be a challenge for services to ensure this extra need is met to a sufficient standard. 39% of children born or living in Tower Hamlets is in an income deprived family and Tower Hamlets remains the most deprived authority nationally in terms of income deprivation of children.

A key factor which influences maternal outcomes is the ability of women to speak and read English. Those who cannot communicate effectively in English have problems with understanding and being understood by health professionals due to the language barrier. Low health literacy also has a negative impact on patient experience in terms of the ability to comprehend information relating to pregnancy. In Tower Hamlets, 35% of the local population overall do not speak English as their first language. Nationally the level is less than 10%.

This review has shown that it is difficult to pull together an entirely accurate and representative picture of patient experience at the Royal London Hospital. The hospital achieves excellent clinical outcomes which is a significant achievement given the large proportion of highly complex births. However, in order for patient experience to reach an equivalent standard for all women the evidence from the review recommends a number of actions to be supported through joint working with Bart's Health Trust and partners with a renewed appetite of working together to improve maternity services for the future.

## Glossary

<b>Always Events</b>	NHS England improvement project – events that should always happen
<b>Band 4 TC support</b>	Band 4 staff supporting the ‘Transitional Care’ unit
<b>Birth Reflections Clinics</b>	Senior midwife led clinic for women to discuss their birth experiences
<b>BFI</b>	‘Baby Friendly Initiative’
<b>Bump Start</b>	Local service for pregnant women that provides health information
<b>Doula service</b>	Volunteer service to support women in labour
<b>Education providers</b>	University providers of midwifery education
<b>EMBRACE</b>	National enquiry into maternal and infant death
<b>IWGC</b>	‘I Want Great Care’ – system for women to feedback on their experiences
<b>GE antenatal questionnaire</b>	‘Great Expectations’ in maternity care – staff development project that supports focused activity to get feedback from local women
<b>K2 intrapartum bundle</b>	Electronic monitoring system and clinical decision making bundle
<b>LIA event</b>	‘Listening Into Action’ events
<b>Mama Academy</b>	National health improvement initiative for health in pregnancy information
<b>Maternity APP</b>	Maternity electronic application for mobile phones etc.
<b>Maternity Mates</b>	Team of local women who support women during pregnancy and labour
<b>Midwives understanding Mothers Event</b>	‘MuM Events’ – held in the maternity unit where midwives and mother’s discuss maternity services
<b>MSW</b>	‘Maternity Support Worker’
<b>MuMs collaborative</b>	Midwives and mother’s working together to improve maternity services
<b>MY BODY BACK clinic</b>	New clinic led by senior midwives for women who have experienced sexual violence
<b>Net Mums</b>	On line service for mother’s
<b>NHSE</b>	National Health Service England
<b>NHS Choices</b>	On line NHS website to view maternity offers in the UK
<b>Parent education feedback</b>	A midwifery parent education and birth preparation service
<b>REACH</b>	Bart’s Health 5 year study to improve early access to antenatal care
<b>REACH pregnancy circles</b>	Group antenatal care for women across Bart’s Health
<b>SBAR</b>	A safety handover of care tool for use in clinical practice
<b>LBTH</b>	London Borough of Tower Hamlets
<b>You said – we did</b>	Feedback from women ‘you said’ and actions taken ‘we did’

To help structure the response to the HSP review, Bart’s Health have grouped the recommendations into four clusters.



Culture  
Workforce  
Feedback  
Partnerships

## THEME 1 – CULTURE

**Cultural understanding will be further developed with staff groups through observation and teaching to enable better understanding of the needs of women and families in the delivery of personalised care.**

Action	Date	Responsibility
<b>Recommendation 1</b>  That Bart's Health Trust explores how it can further implement good practice on offering compassionate care, particularly for women who have had traumatic births and those who do not speak English as their first language.		
<p>Bart's Health launched 'Birth Reflections Clinics' at the Royal London Hospital in May 2016 (now rolled-out across all sites). These clinics are jointly run with consultant midwives, specialist midwives and psychologists from the perinatal mental health service and create a space for women with specific, complex needs to discuss their birth. Appointments are long enough to allow women to take time to go through issues and explanation with professionals. Onward referral to counselling and other services can be made directly from here. Advocates are also available for these sessions and can be pre-booked through the midwifery teams.</p> <p>A 'Birth Reflections Clinic' leaflet has been completed for distribution throughout the maternity service and will be shared with GP practices. A poster is being developed for display in the maternity unit and birth center that will help to raise the profile of the service.</p> <p>Women who attend these clinics are being continuously audited to gain an insight into their experiences which will inform the maternity unit about areas of practice they may wish to change. The audit also involves ensuring that women can feedback their experiences of the clinic itself to allow for future development. The first evaluation report for the service is due to be published in December 2016.</p>	<b>April 2016 On-going</b>	<b>Bart's Health/Education providers and LBTH</b>



<p>The 'Midwives Understanding Mothers' (MuM) collaborative was launched in May 2016. The programme is exploring ways that the maternity service can engage with mothers and families to better understand the needs of local service user and enable future planning of services to involve the voice of women.</p> <p>A number of events have taken place and have had the interest of NHS England (NHSE) which is now supporting a joint design of priorities. The development of three 'ALWAYS EVENTS' has been the outcome. 'ALWAYS EVENTS' relate to activity that should always happen in a service. The joint design of these has meant that the maternity service will be focusing on three areas of improvement: 1) women's experience of the service, 2) staff experience of working in maternity services and 3) information for women through the development of a maternity app for mobile devices.</p>	<p><b>June 2016 On-going</b></p>	<p><b>Bart's Health</b></p>
<p>The Maternity Service has started 'REACH' pregnancy circles. These enable groups of women who have similar expected due dates to meet together with their local midwife to support a number of activities of antenatal care. This project is being jointly run with University of East London (UEL) as a part of a 5-year research study of the delivery of antenatal care to enhance accessibility for all women.</p>	<p><b>July 2016 On-going</b></p>	<p><b>Bart's Health</b></p>
<p>The service has implemented 'MY BODY BACK' clinic. This is a midwifery initiative that is supported by a charity that provides counselling advice and support. The service is focused on giving a higher level of support for women who have suffered from sexual violence or rape. Women can access this clinic pre-conceptual and in pregnancy, or even after some time following the birth of a baby. The clinic is the first of its kind in the UK and has expanded its sessions since it commenced in August 2016.</p>	<p><b>August 16 On-going</b></p>	<p><b>Bart's Health</b></p>
<p>'Bump Start' is a project that provides antenatal care and advice for women. The service supports parent education and mother and family wellbeing. Details of the service are provided in the antenatal clinic for women to access</p>	<p><b>In place</b></p>	<p><b>Bart's Health/Education providers and LBTH</b></p>
<p>'Always Events' are being developed to support staff and engagement monthly events, aiming to build compassion and resilience and reduce stress within the workplace. As part of this the 'Caring for Staff' programme will be launched to better equip staff to deal with stressful</p>	<p><b>September 2016 On-going</b></p>	<p><b>Bart's Health</b></p>

<p>situations and periods of high activity on the unit, and improve staff wellbeing and understanding. The training programme will be run through a series of sessions and will be expanded in 2017 to include situational awareness. The first session took place at the Royal London Hospital in September 2016 and focused on mindfulness, supporting staff to be more resilient, to cope better under pressure from a busy environment and to communicate more effectively.</p>		
<p>The Director of Midwifery and the Hospital Director have secured external support to enable a deeper understanding of cultural experiences and behavior of staff within maternity services. This will enable observation and discussion of cultural awareness and understanding amongst staff, and will lead into training sessions in December 2016.</p>	<b>Dec 2016</b>	<b>Bart's Health</b>
<p><b>Recommendation 5</b></p>		
<p>That Bart's Health Trust ensures that it incorporates the findings and recommendations from the National Maternity Review in terms of how it tailors support to women who do not read and speak English.</p>		
<p>The Maternity Service has a number of processes in place to support women who do not speak English:</p> <ul style="list-style-type: none"> <li>• Advocates provide support for antenatal care for the one-stop booking service, and explanation of scan results. Advocates are also present for parent education sessions in the community and in the maternity unit.</li> <li>• The 'Maternity Mates' service is a voluntary service that supports women who are unsupported during their labour and provides a service for women who do not speak English.</li> </ul> <p><u>Concern</u> – For extra advocates additional resources will require funding. A review of advocacy services is proposed to ensure it is providing quality support.</p>	<b>On-going</b>	<b>Bart's Health / CCG</b>
<p><b>Recommendation 10</b></p>		

<p>That Bart's Health Trust strengthens its discharge planning with patients and ensures that adequate time is taken for patients to understand the information provided and that it reflects their needs and choices. This is particularly the case for women who do not speak English as a first language.</p>		
<p>The Maternity Service is currently reviewing the offer of more detailed birth discussion for women prior to their discharge from hospital. This service would be offered to all women as a part of encouraging women to feedback on their experiences, ask questions, support information for questions women may have and ensure that women are prepared for discharge home with their new baby. Guidelines will be created to standardise discussion for midwives to follow. This will be shared with the Maternity Services Liaison Committee (MSLC).</p>	<p><b>October 2016</b></p>	<p><b>Bart's Health</b></p>
<p>A 'New Discharge Home' pack has been developed for all women. A discharge home interview is being planned as detailed above. Further development of a video and booklet is in progress. These will give simple messages to women about their care at home, the wellbeing of the mother and baby, feeding and immunisation advice.</p>	<p><b>August 2016 Completed pack Booklet in progress</b></p>	<p><b>Bart's Health</b></p>
<p>Bart's Health formed a collaboration with the 'Mama Academy' in 2016. This is a national charity that provides mother and baby wellbeing information. The Royal London now purchase and provide the 'Mama Academy' antenatal notes folder for all women. The folder gives important advice for women about issues such as monitoring their baby's movements and is a useful place to keep their maternity notes, scan pictures and other information they need to save. The academy has a website that women can access for all types of maternity advice and is provided in varying languages.</p>	<p><b>In place</b></p>	<p><b>Bart's Health/Education providers and LBTH</b></p>
<p>There are a number of local, post-natal services provided for women. The Tower Hamlets breast feeding group was locally recruited and continues to receive excellent feedback from local women. This team work with hospital services, community services, social action for health and local women volunteer service. The service is unique in London and is reported as 'best practice', with women from other boroughs contacting our team for support.</p>	<p><b>In place</b></p>	<p><b>Bart's Health/Education providers and LBTH</b></p>
<p><b>Proposed</b> - 'Always Event' – communication – develop booklet and video that explains the discharge process.</p>	<p><b>Dec 2016 booklet / March 2017</b></p>	<p><b>Bart's Health</b></p>

	video	
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## THEME 2 – WORKFORCE

A detailed workforce strategy will be provided to meet the increasing demand of the maternity service. The strategy will include options for skill mix and new posts to be considered and will look at innovative ways of joint working with education providers in the support of recruitment practices.

Action	Date	Responsibility
<b>Recommendation 2</b>		
That Bart's Health Trust reviews its midwife recruitment strategy to ensure that it strengthens its approach to increasing the diversity of staff to reflect the characteristics of the local population.		
<p>Midwifery students are recruited by City University and London Southbank University, and Bart's Health has limited involvement at present in the recruitment process, although they fully support the students in their clinical practice and educational needs when on placement. There is good diversity amongst the student body however it is important that the Royal London gives a good experience to those on placements so that they are keen to take midwifery roles in the Trust once they qualify. Diversity has greatly changed across all staff groups over the last 2 years at the Royal London Hospital.</p> <p>A recruitment plan for maternity has been developed at the Royal London, including:</p> <ul style="list-style-type: none"> <li>• The Royal London Hospital are currently reviewing the portfolio of staff and exploring retention of staff and reasons that staff may leave. This will support our future recruitment plans.</li> <li>• The Head of Midwifery is in liaison with City University to discuss this recommendation from the review and to support local recruitment practices. An open day and</li> </ul>	<b>On-going</b>	<b>Bart's Health/Education providers and LBTH</b>

<p>recruitment event is planned for November 2016.</p> <ul style="list-style-type: none"> <li>• ‘Maternity Mates’ and the ‘Doula Project’ – expansion of this project is required and funding outside of tariff to be discussed with commissioning. Educational requirements are being reviewed with the university links and options to create new roles.</li> </ul> <p>The Maternity Partnership Board will be kept updated of progress.</p>		
<p>There are a number of services in maternity where local recruitment is in place and successful:</p> <ul style="list-style-type: none"> <li>• ‘Maternity Mates’ trains women who have recently utilised maternity services to offer voluntary, peer support for vulnerable women in antenatal and labour. Women can directly refer themselves to this or can be offered it by professionals.</li> <li>• The ‘Doula Service’ provides enhanced support to those in labour from local volunteer women. Volunteers act as support partners, working in partnership with the woman and the health professionals to guide and support the woman with coping strategies during in labour, and where necessary acting as an advocate and interpreter. Volunteers and women are matched ethnically as far as possible. This is being reviewed as an option to implement.</li> <li>• The Band 4 Nursery Nurse and Transitional Care project is supported by local recruitment. These staff work within the baby care area on the post-natal ward supporting babies who need enhanced care and will stay in hospital longer. Training is supported in post for these roles. It is planned that there will be further expansion of this service over 2016/17.</li> </ul>	<p><b>In place 2016</b></p> <p><b>December 2016</b></p>	<p><b>Bart’s Health/Education providers and LBTH</b></p>
<p>Bart’s Health are in the process of discussing opportunities to become a ‘Training Centre for Consultant Midwives. This would be a new initiative in London and would enable strong leadership of key projects as a part of the Masters in Maternity Degree. The Maternity Service is also looking at new options to develop a Maternity Practitioner role at a Band 4 that would develop key skills in support of mother and babies, and be trained in a number of aspects of care to support public health and wellbeing needs.</p>	<p><b>In progress</b></p>	<p><b>Bart’s Health/Education providers and LBTH</b></p>

**Recommendation 4**

That Bart's Health Trust develops ways to ensure that there is sufficient time dedicated for staff to provide information to patients, particularly for women who do not speak English as a first language.

The 'Maternity Patient Information Group' is now established and it has produced 24 new patient information leaflets in numerous languages. These support other information that is provided for women at different stages of the pregnancy (e.g. the 'Mama Academy' provides a folder with numerous public health messages and access national information about pregnancy).

The new Bart's health website that is under development will provide signposting for women, as well as downloadable local maternity information about mother and baby care. The, 'I Want Great Care' feedback survey is also available in 20 languages on the mobile app.

**In place and on-going****Bart's Health**

The service is reviewing current advocacy arrangements for women. At present, due to resources, this is only available for the booking and birth-plan, and cannot be provided for every visit. GP surgeries are responsible for providing patients with advocacy who are under their care.

In order to improve women's access the service will be considering birth plan group discussions held in the birth centers / labour wards. This innovation may be difficult to provide due to resource pressures in the clinical area, but the benefits would be significant, by providing better preparation for the latent phase and reducing unnecessary admission.

**In progress****Bart's Health**

A new 'Maternity APP' for mobile devices is being considered by the service in conjunction with Bounty, which currently provides gift bags for women before and after birth. The app is a new development and will be built with local information as a part of it.

**In progress and being led by one maternity site as part of the always event project.****Bart's Health**

As part of the 'Women in Health and Social Care' programme the council will explore possible opportunities to work with residents to provide them with an introductory course on midwifery

**In progress****LBTH****Recommendation 6**

<p>That subject to the findings of an evaluation of Maternity Mates service; Tower Hamlets Clinical Commissioning Group and Bart's Health Trust work with Women's Health and Family Services to further develop and strengthen the Maternity Mates service to expand its role working with midwives and local women in hospital settings and the wider community. This should include working with a diverse range of local women both as service users and Maternity Mates with a particular focus on minority groups such as the Somali community.</p>		
<p>The CCG has a contract with Women's Health and Family Services (WHFS) for the 'Maternity Mates' service for local and vulnerable women which expires on 31<sup>st</sup> March 2017. Initial performance data collected by WHFS is indicating that women are reporting positive outcomes of their 'Maternity Mate' experience. We are currently working with WHFS on an evaluation of its impact and effectiveness and will consider the Health Scrutiny Panel's recommendations as part of this. This will support the review of service provision in preparation for commissioning the most appropriate service as part of a formal procurement process to competitively tender for a new contract from April 2017.</p>	<p><b>April 2017</b></p>	<p><b>CCG</b></p>
<p><b>Recommendation 7</b></p>		
<p>That BHT regularly reviews the process for conducting handovers between shifts to ensure that this process is as seamless as possible for staff and patients.</p>		
<p>The Maternity Service is in the process of ensuring a standardized process is in place for handover of care or treatment in all care settings. This will ensure that women have a seamless pathway of care and clinicians have all of the information they require in a clear format.</p> <p>The service has also received funding for a new electronic system for use in the labour wards. As a part of this the maternity service will implement an electronic handover sticker into the record and have an hourly assessment sticker for monitoring progress of the labour and handing over between staff groups.</p>	<p><b>Dec 2016</b></p>	<p><b>Bart's Health</b></p>

<b>Recommendation 11</b>		
That Bart's Health Trust reviews its resource allocation systems to enable staff to have more time to spend with patients.		
<p>The Band 4 maternity support staff will be appointed to work in post-natal areas to increase support for women. This is envisaged to be provided over a 24 hour period and improvements will be monitored as a part of the post-natal team's analysis.</p> <p>Bart's Health will also be reviewing the number of maternity support staff required in light of the expected growth in birth numbers. This review will be based on the findings of 'Birth Rate +' which is a nationally recognised tool for assessing workforce requirements in maternity settings when set against the projected growth in births.</p>	<p><b>Nov 2017</b></p> <p><b>March 2017</b></p>	<b>Bart's Health</b>
<b>Recommendation 14</b>		
That Tower Hamlets Clinical Commissioning Group and Bart's Health Trust review the demand modelling process to ensure they can better understand future demand and enable Bart's Health Trust to ensure sufficient resources can be allocated more swiftly to meet peaks in demand.		
Bart's Health senior management teams in maternity are working with the North East London Commissioning Support Unit to better understand capacity and demand and inform developments required based on acuity and activity.	<b>March 2017 and on-going</b>	<b>Bart's Health / CCG and CSU</b>
Concern has been raised about the lack of focus on high risk care. Part of the Transforming Services Together (TST) strategy has involved the forecasting of births for women who use Bart's Health services over the long term. This work is important to ensure that we are clear about numbers of women who will require care over the next few years. There is also work underway to understand the management of services on a day to day basis. Tower Hamlets CCG and Bart's Health are both part of the North East London Maternity Network (NELMN) that has identified three priority work stream areas. One of these is focussed on 'demand and capacity' across the whole of the North East London sector. The objectives for this group will be to review methods of birth forecasting in both the short and long term, to work on how we can assess the capacity of maternity services more accurately, and to understand the health needs of women attending for care and how this may influence where they give birth. It is	<b>March 2017 and on-going</b>	<b>Bart's Health / CCG and CSU</b>



anticipated that this will result in closer collaborative working between services to ensure that midwife to birth ratios are appropriate and will support the more effective management of service provision in the future so that women have the best possible experience.		
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**THEME 3 – FEEDBACK**

**Bart's Health are committed to ensuring that they actively seek feedback on all aspects of the maternity services to inform future developments and requirements and ensure that women's and families voices are heard and influence developments and changes that are made.**

Action	Date	Responsibility
<b>Recommendation 3</b>		
That Bart's Health Trust carries out - 6-12 months in depth study focused on patient experience following the opening of the new co-located unit in August 2016 to provide deeper insight and assurance around improvement plans that are being implemented.		
The 'I Want Great Care (IWGC)' tool is to be fully implemented as the Bart's Health vehicle for collection and collation of feedback from women and their families on the experience of care. This tool will be used to analyse on a weekly basis all aspects of care.  The 'You Said; We Did' approach will be used to allow for patient feedback and to help the service demonstrate where improvements are being continually made.	<b>Aug 2016</b>	<b>Bart's Health</b>
Bart's Health will report twice per year on an analyses of IWGC / Net Mums / NHS choices / and any other customer feedback questionnaires/surveys implemented in the service.	<b>Dec 2016 and on-going</b>	<b>Bart's Health</b>
A 'Listening into Action' event will be held with users of the service to agree any key areas of concern and areas where improvements and developments can be supported and measured	<b>Sept 2016 and on-going</b>	<b>Bart's Health</b>
Bart's Health will agree a 6 monthly report on women's experience within the new midwifery led birthing environments. Report in May 2017 – possible plan for on-going feedback via structured questionnaires.	<b>May 2017</b>	<b>Bart's Health</b>

<b>Recommendation 12</b>		
That Bart's Health Trust builds on its work to engage staff groups and patient organisations in plans for designing wards and waiting areas.		
The new co-located Birth Centre design and naming project plan is to be completed and launched – birthing rooms have been named following a survey of patients.	<b>Sept 2016 plan complete Launch Jan 2017</b>	<b>Bart's Health</b>
The plans for the new waiting area on the 6 <sup>th</sup> floor are to be developed in liaison with the Maternity Service Liaison Committee (MSLC) – once the co-located Birth Centre opens.	<b>TBC 2017</b>	<b>Bart's Health</b>
The 'In Early Pregnancy' service runs a one stop booking centre at the Royal London Hospital. Women will receive a scan at the same visit. The plan is to expand this service with an option to provide it at the Barkantine Birth Centre.	<b>Nov 2016  Scanner to be implemented in the service in 2017</b>	<b>Bart's Health</b>
<b>Recommendation 13</b>		
That Bart's Health Trust develops a 'listening in action' programme so that midwives and ward staff can share practice with managers and learning is cascaded 'up' the management chain.		
A 'Listening into Action' event was held in June 2016 to co-design improvements required with stakeholders.  A follow up event will be held in 2017 to launch suggested improvements and agree next steps. This is a part of the 'Midwives Understanding Mothers' Collaborative being led by the maternity service.  A further LIA event is also planned with a focus on 'Home Birth'.	<b>June 2016  January 2017</b>	<b>Bart's Health</b>
<b>Recommendation 15</b>		
That Bart's Health Trust improves the way that data on patient experience is collated and finds a way of bringing together data from various sources that can be analysed at a sufficient level of granularity, for example ethnicity, age group and site specific.		

<p>Patient experience will be collected via - IWGC, 'You Said; We Did', 'Birth Reflections', co – located birth centre open event and grandparents sessions in 2017. Parent education midwives will also actively collect feedback.</p> <p>There will be a maternity specific event in early 2017 to celebrate success / review lessons learnt and share what services have done based on patient feedback to help disperse data in patient experience.</p>	<b>Jan/Feb 2017</b>	<b>Bart's Health</b>
<p><b>Recommendation 16</b> That Barts Health Trust strengthens how it is using patient feedback (good and bad) and to demonstrate to patient representative groups how this feeds into improvement plans.</p>		
<p>Patient representative groups and stakeholders will be invited to all development sessions in regard to patient experience and change projects. The LIA and MuMs collaborative events will be used to do this.</p>	<b>August 2016 ongoing</b>	<b>Bart's Health</b>

#### THEME 4 – PARTNERSHIPS

**The 'Maternity Partnership Board' will be implemented to provide oversight of the recommendations of the report and to enable the development of strong working relationships with shared accountability in the provision of maternity care.**

<b>Action</b>	<b>Date</b>	<b>Responsibility</b>
<p><b>Recommendation 8</b> That Bart's Health Trust reviews the information provided as part of antenatal and postnatal care and works with patient groups (Maternity Services Liaison Committee, Healthwatch Tower Hamlets, National Childbirth Trust) and local residents to ensure information is accessible, appropriate and meets local needs.</p>		
<p>Barts Health will review and develop all information packs given out at all stages of the maternity pathway - booking, antenatal, labour and postnatal - and will include information on breast feeding, choice of birth, birth planning, caring for your baby at home.</p>	<b>Aug 2016</b>	<b>Bart's Health</b>

<p>The MAMA academy, a national health improvement initiative for health in pregnancy information, will be implemented at Bart's.</p>		
<p>Bart's Health will review how women whose first language is not English access information. Production of key messages in alternative languages will be considered once funding can be assured. The key messages that are essential for all women in pregnancy relate to:</p> <ul style="list-style-type: none"> <li>• Importance of early booking</li> <li>• Antenatal and newborn screening and immunisations</li> <li>• Name Midwife or Doctor</li> <li>• Choice of place of birth (home, birth centre, consultant unit)</li> <li>• Understanding risk factors – green, amber and red risks – when to contact a health professional</li> <li>• Early labour and self-care</li> <li>• Birth planning</li> <li>• Care of baby and feeding</li> </ul>	<p><b>January to March 2017</b></p>	<p><b>Bart's Health</b></p>
<p><b>Recommendation 9</b> That the Tower Hamlets Clinical Commissioning Group continues to fund, support and strengthen the Maternity Services Liaison Committee as a key mechanism for involving local women in shaping the future of maternity services in the borough.</p>		
<p>Tower Hamlets CCG has procured a Maternity Service Liaison Committee (MSLC) service with funding for three years:</p> <ul style="list-style-type: none"> <li>• The contract was awarded to Social Action for Health who commenced the new service on 1<sup>st</sup> May 2016.</li> <li>• The CCG are committed to supporting and strengthening the MSLC as a key mechanism for involving local women in shaping the future of maternity services in the borough.</li> <li>• The CCG have and will continue to ensure there is key representation at MSLC meetings to cascade information and to facilitate feedback from local communities on maternity provision within Tower Hamlets.</li> </ul>	<p><b>Ongoing</b></p>	<p><b>CCG</b></p>

<ul style="list-style-type: none"> <li>The CCG will also continue to meet with Social Action for Health to support the development of the service and review patient feedback on a quarterly basis.</li> </ul>		
<p>Bart's Health will continue to support the work of the MSLC. Further development of patient representation on key maternity forums will be explored. This is important to improve understanding of services.</p> <p>The strategic element of the MSLC will be further developed with the CCG to ensure that it is more representative of all patient groups and enhances opportunities to get live feedback on women's experience.</p>	<b>April 2017</b>	<b>CCG/Bart's Health</b>
<p><b>Recommendation 17</b></p> <p>That Bart's Health Trust works with patient representative groups and forums to develop easily accessible, timely and intuitive ways to give feedback. Linked to this that Public Health review how the post birth visit (6-8 weeks check) could provide an opportunity to better capture patient experience feedback and to develop a process to link this information back to BHT.</p>		
<p>The 6-8 week check is completed in primary care and is the responsibility of the GP. A further review is required to look at ways to capture feedback within these community settings.</p> <p>Public Health have discussed this with the GP Care Group (provider of the Health Visiting Service) who are exploring how they could utilise Friends and Family questions via smart phones to get feedback from families. This would be at the new birth visit undertaken by Health Visitors.</p>	<b>Dec 2016</b>	<b>CCG – Primary care</b>

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<p><b>Cabinet</b></p> <p>7 February 2017</p>	 <p><b>TOWER HAMLETS</b></p>
<p><b>Report of:</b> Debbie Jones, Corporate Director, Children's Services</p>	<p><b>Classification:</b> Unrestricted</p>
<p><b>Validated Examination Results</b></p>	

<b>Lead Member</b>	Councillor Saunders, Cabinet Member for Education & Children's Services
<b>Originating Officer(s)</b>	Christine McInnes – Divisional Director, Education and Partnerships
<b>Wards affected</b>	All
<b>Key Decision?</b>	No
<b>Community Plan Theme</b>	A Prosperous Community

**Executive Summary**

1.1 This report provides an overview of the 2016 education results from Foundation Stage to Key Stage 5 at Local Authority and school level, and a summary of how the provisional results compare to last year's and national averages where known. It highlights the successes and challenges that are barriers to further progress, and any support interventions that we think will prove particularly effective in meeting these challenges.

**Recommendations:**

The Mayor in Cabinet is recommended to:

1. Note the 2016 Local Authority education results, and to comment on the proposed strategies for support and challenge in the areas identified below to further raise performance:
  - 1.1. To continue the reform of Early Years provision and support to increase the number of 'school ready', healthy children;
  - 1.2. To further develop schools and providers understanding of new requirements in curriculum, assessment, testing/ examinations and the inspection framework;
  - 1.3. To further develop school and early years capacity across the borough to deliver particularly English and maths;
  - 1.4. To continue to implement targeted, evidence based programmes within a context of sound teaching and learning to close gaps in achievement between identified groups;

- 1.5. To continue to develop school capacity in supporting children and young people with SEND, noting the SEN Review will also be reported shortly, and that pupils with special needs once again show strong comparative data;
  - 1.6. To develop consistently high quality employment, education and training pathways for young people of all abilities and interests; and,
  - 1.7. To work with any school that has significantly underachieved to improve standards through effective leadership, data analysis and improved teaching and learning strategies.
2. Cabinet will also want to consider how the Tower Hamlets Education Partnership will take-on these recommendations and to suggest protocols and procedures that may be necessary. These will include:
- a protocol on results sharing so that results are shared early to allow interventions to be planned in a timely manner
  - to review the performance outcomes within the developing business plan to ensure that the Partnership has the capacity and expertise to address the issues identified in this analysis such as the continuing underperformance of children from a white (free school meal) British background;]

## 1. **REASONS FOR THE DECISIONS**

- 1.1 Report requested by Cabinet

## 2. **ALTERNATIVE OPTIONS**

- 2.1 Not applicable – the report is on education assessment outcomes for each key stage

## 3. **DETAILS OF REPORT**

### 3. **BACKGROUND**

- 3.1. Education results for our schools are now available for the assessments, tests and exams taken during the summer term 2016.

#### 3.2 ***Changes to KS 1 and 2***

- 3.2.1 Following the introduction of a new primary curriculum in 2014, 2016 was the first year of the associated new assessment and testing procedures for both KS1 (end of Yr2) and KS2 (end of Yr6). These procedures assess against a national standard and as a consequence of the changes,



the results look very different from those of previous years and cannot be compared with them directly.

- 3.2.2** At the end of KS2 results in each test are reported as a percentage of children working at or above the expected standard and percentage of children working above the expected standard or at greater depth.
- 3.2.3** Results are now also reported using a scaled score. A scaled score of 100 represents the expected standard for each test. If a child gets a scaled score of 100 or more it means they are working at the expected standard in the subject. The highest scaled score possible is 120, and the lowest 80 in KS2.
- 3.2.4** The previous 'expected progress' measure, based on pupils making at least two levels of progress between key stage 1 and key stage 2, is no longer produced.
- 3.2.5** This measure has been replaced by a value-added measure with individual pupil progress contributing to the school's progress score. The expected progress score for a school is 0: a + score means pupils have made better than expected progress; a - score, less than expected progress.

### ***Changes to KS 4 and 5***

- 3.3.1** Major reforms to KS4 and 5 curricula and assessments began in 2014. The first of these changes was to stop the January sitting of AS and A level exam units and this was followed by similar changes for GCSE modules. Subsequently there has been widespread reform: a move away from modular to linear GCSE and A levels; the reduction or complete elimination of coursework options; changes to assessment in vocational or technical subjects; compulsory GCSE English and Maths re-takes where students have not achieved a C+ grade; a complete change to the Performance Tables.
- 3.3.2** The reforms have been introduced gradually meaning that for the next few years secondary schools will be working in a mixed economy of old and new curriculum and assessment systems. The changes are scheduled to be completed by 2019. One consequence of the reforms is that it is increasingly difficult to compare one year with another. Both progress and attainment are now measured in a new way at both KS4 and 5 as the Department for Education have emphasised the importance of both measures rather than simply outcomes
- 3.3.3** At **KS4** the new measures introduced for 2016 are Progress 8 and Attainment 8 and these are explained further later in this report. Progress 8 data is based on a calculation of pupil progress from the end of primary school to the end of secondary school.
- 3.3.4** Some assessments have remained the same and where this is **the** case comparisons to previous years are provided.

#### 4. **Headline results**

- At **EYFS** 66.5% of pupils achieved a GLD, an improvement of 4.9% from 2015.
- **Phonics screening** Pupils achieved 81.0% and improvement of 2.7% from 2015 and 0.4% above the national average
- **KS1** The percentage of pupils working at or above the expected standard in the combined score of Reading, Writing and Maths was 64.5%, 4.2% higher than the national average of 60.3%. Percentage of pupils working at greater depth was 11.3% which is 2.4% above the national average of 8.9%. This is the first year that KS1 outcomes have been above national averages in reading, writing and maths across the LA. Outcomes for the more able pupils (those working at greater depth) are particularly pleasing.
- **KS2** The percentage of pupils working at or above the expected standard in the combined score of Reading, Writing and Maths was 62%, 9% higher than the national average of 53%. Percentage of pupils working at greater depth was 7% which is 2% above the national average of 5%. Based on outcomes from data, no primary school in the LA will be below the DfE floor standard for 2016.
- **Progress from KS1 to KS2** LA average progress scores at present are +1.1 in reading, +2.1 in writing and +1.8, in mathematics.
- **KS4** Attainment 8 results give an average provisional point score of 50.2 which translates to an average grade of B. This and continues to be above the national average. 63.3% of pupils achieved the new measure of GCSE A\*C in English and Maths, a fall of -3.2% compared to 2015 borough average but we are expecting this to be above the national average. Progress 8 data shows how much progress pupils school made between the end of key stage 2 and the end of key stage 4, compared to pupils across England who got similar results at the end of key stage 2 Tower Hamlets schools made 0.15 progress above the national average.
- **A levels and vocational subjects:** The borough average A level point score per entry is 28, equivalent to a C- grade. For vocational subjects (which are not offered by all schools) the average point score per entry is 38, or a Distinction+ which is well above the national average.

##### 4.1. **Early Years Foundation Stage / Age 5**

66.5% of children achieved a good level of development by the end of the EYFS. A good level of development is when a child reaches or exceeds the expected level as defined in the early learning goals for the prime areas,

literacy and mathematics. This means a child must achieve at or beyond the expected level in 12 of the 17 early learning goals. The tests must be completed in English. It is important to note that 76% of children do not speak English at the start of the Reception year (age 4).

#### **4.2. Prime areas:**

- 77.9% of children achieved at or beyond the expected level in communication and language. Children now have an excellent home language model by age 5 which supports swifter progress in KS1. Previously, many had very poor home language models which hampered their progress.
- 88.5% of children achieved at or beyond the expected level in physical development. We have no funding to roll out the training in this area (last years cuts to EYS budgets) and would have liked to improve this significantly as it underpins progress in writing at KS2.
- 81.1% of children achieved at or beyond the expected level in personal, social and emotional development. The focus for IEYS school support 2016-17 is in this area 0-5. This and PD are the areas we need to shift to narrow the “Lost Boys” gender gap.
- 74.1% of children achieved at or beyond the expected level in the three prime areas. By the end of EYFS, we move children from bottom (most disadvantaged wards nationally in Tower Hamlets – 151<sup>st</sup> out of 151 LAs) to around 20<sup>th</sup> – 26<sup>th</sup> out of 151 LAs nationally by age 5 (Ofsted HMCI reports). This is achieved through the joint programmes delivered by IEYS and by the interventions in Children’s Centres turning children around (1500+ children annually).

#### **4.3. Specific areas:**

- 70.3% of children achieved at or beyond the expected level in literacy.
- 65% of children achieved at or beyond the expected level in mathematics. 2016-17 focus area for programmes.
- 74.4% of children achieved at or beyond the expected level in understanding the world. We began to use this curriculum area for delivery of literacy and mathematics and results are improving across the board as a result.
- 82.7% of children achieved at or beyond the expected level in expressive art and design. This has improved after IEYS support for schools – it supports well-being and PSED.

#### **4.4. Overall:**

- 74.1% of children achieved at or beyond the expected level in the four prime areas. Scores have almost doubled since 2014.
- 65.2% of children achieved at or beyond the expected level in the eight specific areas.

- 63.8% of children achieved all the early learning goals. We focus on the language areas in the primes but are broadening the push to include the specific areas. 30% improvement over 2014.

#### 4.5. Priorities

- Completing the Integrated Early Years restructure.
- Narrowing the gap of the lowest 20% against the median for more advantaged peers (measured by EYFSP).
- Continue to provide support to children with SEN, 365 since December.
- Focus on boys (and particularly white British and Bangladeshi) for:
  - Well-being (initiatives in partnership with Public health being developed to be rolled-out through Children’s Centres)
  - Language development (Early Words Together, Every Tower Hamlets Child a Talker)
  - Maths
- Continue existing programmes aimed at improving school readiness as measured by a comparison to the defined GLD. A Good Level of Development (**GLD**) requires meeting or exceeding all the Prime **Early Learning Goals (ELG)** and Literacy and Mathematics:
  - PD – Forest Schools: Every Tower Hamlets Child a Mover
  - Literacy (story making) – “Helicopter Stories”
  - Healthy eating – focus on reducing dental decay and numbers of children who are hospitalised because of dental caries; also reducing obesity;
  - Healthy start - vitamins especially Vitamin D.

#### 4.6. KS1 / Age 7

##### 4.6.1. Phonics screening check provisional outcomes

(This assessment has remained the same as previous years and so direct comparisons can be made).

Table 1.

	LA	National	Gap
2014	75.7%	74.2%	+ 1.5 pts
2015	78.3%	76.8%	+1.5 pts
2016	81.0%	80.6%	+ 0.4 pts

Provisional data suggests that outcomes for the phonics screening check at the end of Yr1 have continued to improve across the LA.

The achievement gap between boys and girls is closing slightly compared to 2015.

The gap in achievement between our targeted white British (WBRI) pupils and their peers has closed by 2.6 percentage points compared to 2015.

A robust central training programme continues to be delivered by the Primary Education and Partnerships team for teachers and teaching assistants. Focused work in Nursery Schools and EYFS settings in previous years has also impacted on more children being 'ready' for the Yr1 expectations. This work continues and is being taken up by more settings as part of the SLA provided.

#### 4.7. KS1 provisional outcomes (teacher assessment)

In May 2016, Yr2 pupils took statutory national curriculum tests in reading and mathematics. These test results were used to support teacher assessment in these subjects - based on the Yr2 interim framework for assessment from the DfE. Teacher assessment was also reported in writing and science based on class work from across the key stage. Teacher assessment for KS1 was moderated by the LA in 25% of schools.

Table 2. Percentage of pupils working at or above the expected standard

	LA	National	Gap
Reading	75.8%	74.0%	+1.8% pts
Writing	69.9%	65.5%	+4.4% pts
Maths	75.5%	72.6%	+2.9% pts
Science	79.7%	81.8%	-2.1% pts
RWM	64.5%	60.3%	+4.2% pts

Table 3. Percentage of pupils working above the expected standard (working at greater depth):

	LA	National	Gap
Reading	25.2%	23.6%	+1.6% pts
Writing	16.0%	13.3%	+2.7% pts
Maths	22.2%	17.8%	+4.4% pts
RWM	11.3%	8.9%	+2.4% pts

Although results cannot be compared with previous years, this is the first year that KS1 outcomes have been above national averages in reading, writing and maths across the LA. Outcomes for the more able pupils (those working at greater depth) are particularly pleasing. Science is very hard to interpret as this was a new teacher applied assessment procedure against a new programme of study.

## 4.8 Analysis by group

- The LA gap between disadvantaged pupils and non-disadvantaged pupils is -5.4% pts in reading, -6.7%pts in writing and -6.4%pts in maths. These gaps are less than the national gaps.
- Outcomes at KS1 are stronger for girls than boys in all subjects. The LA gap is +9.1% pts in reading, +14.4% pts in writing and +4.5% pts in maths. The National Gender Gaps are a little narrower (at +8.7%pts for reading, +14.2% for writing and +1.9%pts for maths).
- The LA gap between WBRI pupils and others is a -3.8%pts in reading, -8.6% pts in writing and -4.4%pts in maths. Nationally WBRI pupils perform slightly better than other pupils. WBRI pupils are not performing as well as national WBRI pupils (gaps LA to National, for WBRI pupils, are; -2.7%pts in reading, -3.6%pts in writing and -1.7%pts in maths).
- Pupils with SEN provision at the end of KS1 are performing stronger than SEN provision pupils nationally (gap of +5.7%pts in reading, +7.1%pts in writing and +8.3%pts in maths).

There has been a comprehensive central training programme in place for the past two years within the LA preparing KS1 teachers and leaders within school for the changes to the national curriculum and the raised expectations. Attendance at these sessions has been exceptionally high throughout the year.

The Primary Education and Partnerships team (PEP) also produced comprehensive 'tools' for reading, writing and maths to support teachers in planning and delivering lessons based on the raised expectations within the curriculum. These have been valued by schools and supported the development of teacher subject knowledge in order to meet the changes in the curriculum. This team is almost entirely funded by the schools themselves and so work must be agreed in partnership with headteacher colleagues.

## 4.9 KS2

In May 2016, Yr6 pupils took statutory national curriculum tests in reading, grammar, punctuation and spelling (GPS) and mathematics. Writing assessments were based on teacher assessment from the YR6 interim framework for assessment from the DfE. Teacher assessment for KS2 writing was moderated by the LA in 25% of schools.

At the end of KS2 results in each test are also reported using a scaled score. A scaled score of 100 represents the expected standard for each test. If a child gets a scaled score of 100 or more it means they are working at or

above the expected standard in the subject. The highest scaled score possible is 120, and the lowest 80 in KS2.

Table 4. Percentage of pupils working at or above the expected standard:

	LA	National	Gap
Reading	72%	66%	+6%pts
Writing	83%	74%	+9%pts
Maths	79%	70%	+9%pts
GPS	82%	73%	+9%pts
RWM	62%	53%	+9%pts

Table 5. Average scaled scores for each subject:

	LA	National	Gap
Reading	103	103	0
Writing	Not available, as results based on teacher assessment.		
Maths	104	103	+1
GPS	105	104	+1

Table 6. Percentage of pupils working above the expected standard (working at greater depth / higher standard):

	LA	National	Gap
Reading	18%	19%	-1% pts
Writing	19%	15%	+4% pts
Maths	20%	17%	+3% pts
GPS	26%	23%	+3%pts
RWM	7%	5%	+2% pts

NB GPS grammar, punctuation and spelling  
RWM reading, writing mathematics combined

#### 4.10 Analysis by group

- Girls have achieved better than boys in all subjects at the expected standard or above in LA. (+8.3%pts in reading, +11.1%pts in writing, +9.9%pts in GPS and +2.7%pts in maths). Girls outperform boys nationally with gaps being +7.8%pts in reading, +12.9%pts in writing, +10.2%pts and +0.1%pts in maths.
- Disadvantaged pupils are not achieving as well as non-disadvantaged pupils in the LA at the expected standard. There are gaps (-6.0%pts in reading, -4.8%pts in writing, -6.9%pts in GPS and -9.3%pts in maths). However, the gaps between disadvantaged pupils and non-disadvantaged

pupils nationally are significantly higher than this. Also, in maths, GPS and writing our disadvantaged pupils are performing better than national non-disadvantaged pupils.

- In the LA, outcomes for WBRI pupils are lower than other pupils at the expected standard in maths (- 7.0% pts), GPS (-10.6%pts) and writing (- 6.5%pts) but are slightly stronger in reading (+1.1%pts). LA WBRI pupils are performing better than WBRI pupils nationally in reading, maths and writing but not GPS
- Further analysis of WBRI pupils, looking at WBRI disadvantaged pupils against WRBI non-disadvantaged pupils, is of concern. Only 44.7% of WBRI disadvantaged pupils attained the expected standard in combined reading, writing and maths, where as 79.2% of WBRI non-disadvantaged pupils achieved the combined measure.
- Although of concern, these figures are both significantly better than national averages (36.2% for WBRI disadvantaged pupils and 60.9% for WBRI non-disadvantaged pupils).

#### **4.11 Progress from KS1 to KS2**

The previous 'expected progress' measure, based on pupils making at least two levels of progress between key stage 1 and key stage 2, is no longer produced. This measure has been replaced by a value-added measure. There is no 'target' for the amount of progress an individual pupil is expected to make. Any amount of progress a pupil makes contributes towards the school's progress score.

The expected progress score for a school would be 0 points. An average positive score indicates pupils have made better than expected progress. An average negative score indicates pupils have made less than expected progress.

- LA data is available for individual schools.
- LA average progress scores at present are +1.02 in reading, +1.99 in writing and +1.67, in mathematics.
- There is no comparative national data available at this point.

#### **4.12 Support for schools**

Again, there has been a comprehensive programme of central training in place to support teachers in upper KS2 to prepare pupils for the raised expectations of the curriculum and changes to the testing and assessment procedures. The 'tools' produced by the team have equally supported teachers to develop their own subject knowledge and understand the pitch and expectations of the curriculum at the end of KS2.

Partnership work across groups of schools has also helped to support teachers in understanding the raised expectations of the new curriculum.



Moderation activities, both centrally, within partnerships and within individual schools, has ensured that there has been a common understanding of standards and enabled professional dialogue to take place focused on teaching to support pupil progress.

### Priorities

- Facilitating and developing school to school support to learn from best practice, in order to address the variations in results between schools.
- Strengthening and developing reading within schools to expand and enhance pupils' vocabulary and develop fluency and stamina.
- Training and support for schools to develop working at greater depth, in order to improve outcomes in reasoning and problem solving in mathematics.
- Supporting schools to identify effective strategies to narrow the gap between underperformance of particular groups and their peers, including WBRI.

### 4.13 KS4 /Age 16

At KS4 the new measures introduced for 2016 are Progress 8 and Attainment 8. The DfE's reasoning for these measures is that 'Progress 8 aims to capture the progress a pupil makes from the end of primary school to the end of secondary school. It is a value added measure, which means that pupils' results are compared to the actual achievements of other pupils with the same prior attainment'.

Attainment 8 will measure the average grade of a pupil across 8 subjects including mathematics (double weighted) and English (double weighted), 3 further qualifications that count in the English Baccalaureate (EBacc) measure and 3 further qualifications that can be GCSE qualifications (including EBacc subjects) or any other non-GCSE qualifications on the DfE approved list.'

### Attainment 8 Schools – 2014-2016

Table 8.

<b>Attainment 8 Scores</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>Difference</b>
Bethnal Green Academy (Green Spring)	50.80	54.30	54.8	+0.5
Bishop Challoner Catholic Collegiate Boys School	43.80	49.90	49.5	-0.4
Bishop Challoner Catholic Collegiate Girls School	48.10	50.70	53.7	+3.7
Bow School	45.50	49.90	49.8	-0.10
Central Foundation Girls' School	52.20	54.20	53.8	-0.40
George Green's School	41.10	45.40	50.5	+5.10
Langdon Park Community School	43.70	45.80	49.5	+3.70
Morpeth School	49.60	49.60	51.4	+1.80
Mulberry School for Girls	56.00	55.60	54.8	-0.8
Oaklands School	51.60	54.50	51.1	-3.4

Raine's Foundation School		44.80	44.90	41.3	-3.6
St Paul's Way Trust School		46.40	50.40	51.8	+1.20
Sir John Cass Foundation		55.80	55.50	53.8	-1.7
Stepney Green Maths & Computing College		51.70	50.40	52.5	+1.1
Swanlea School		48.80	51.60	50.30	-1.3
England (all schools)			48.40	49.9	+0.5
<b>LA Average</b>		<b>49.03</b>	<b>50.97</b>	<b>50.2</b>	-0.07

While being aware of all the caveats above regarding comparability and the number of assessment changes, overall GCSE results showed consistency this year. Attainment 8 results give an average provisional point score of 50.2 which means that the borough's GCSE results average is a B grade – with 10 of our schools achieving this.

Two of our schools made significant progress on this measure adding between a third and half a grade to their average outcome – George Greens and Langdon Park. The range of results across our schools was wide – from 41.3 to 54.8.

On the GCSE A\*C in English and Maths measure our schools are again above the national average and this is a consistent trend over many years:

Table 9.

<b>% Achieving A*-C GCSEs in English &amp; maths</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>Difference</b>
* Bethnal Green Academy	74.0	83.0	92.0	83.0	-9.0
Bishop Challoner Catholic Collegiate Boys School	68.0	43.0	65.0	65	0.0
Bishop Challoner Catholic Collegiate Girls School	79.0	64.0	66.0	76.0	10.0
Bow School	61.0	53.0	55.0	64	+9
Central Foundation Girls' School	67.0	66.0	63.0	62.63	0.0
George Green's School	50.0	44.0	51.0	55	+5.0
Langdon Park Community School	45.0	52.0	72.0	55	-17
Morpeth School	75.0	73.0	74.0	69	-5.00
Mulberry School for Girls	73.0	69.0	70.0	69	-1.00
Oaklands School	68.0	69.0	75.0	66	-9.0
Raine's Foundation School	53.0	48.0	56.0	35	-21
St Paul's Way Trust School	61.0	57.0	60.0	68	+8.0
Sir John Cass Foundation	82.0	84.0	77.0	70	-7.0
Stepney Green Maths & Computing College	67.0	63.0	63.0	70	+7.0
Swanlea School	64.0	62.0	76.0	63	-13.0
England Average (all schools)	60.0	55.5	55.8	63	+7.2
<b>LA Average</b>	<b>65.1</b>	<b>62.0</b>	<b>66.9</b>	<b>63.3</b>	<b>-3.5</b>

There are wide variations of results - from 35% to 83% - with three schools down by a significant percentage (Langdon Park, Raine's Foundation and Swanlea) and four schools making positive gains (Bishop Challoner Girls, Bow, St Paul's Way Trust and Stepney Green). Volatility in results can be

expected with significant curriculum and assessment changes happening and these and the wide variation in outcomes should stabilise once the changes are established. In addition, this is the first year that year 12s who have not achieved a C+ grade in English and Maths at the end of year 11 have had to re-sit exams in these subjects. Schools are examining their results carefully to learn the appropriate lessons and this will help shape future interventions and other student support.

We have one school - Raines - below the current 45% floor target measure. We are working very closely with this school and have put in a range of support measures as well as holding it strongly to account on its results.

The Borough average for the English Baccalaureate (EBacc) dropped slightly to 27.8% with two schools achieving over 40% and 11 scoring 20% or better.

Table 10.

<b>% of Pupils achieving the EBACC</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>Difference</b>
* Bethnal Green Academy	14.0	36.0	43.0	37	-6.0
Bishop Challoner Catholic Collegiate Boys School	11.0	14.0	17.0	13	-4.0
Bishop Challoner Catholic Collegiate Girls School	19.0	18.0	22.0	26	+4.0
Bow School	29.0	25.0	21.0	23	+2
Central Foundation Girls' School	15.0	20.0	28.0	25	-3.00
George Green's School	20.0	15.0	16.0	17	1.00
Langdon Park Community School	10.0	18.0	13.0	7.0	-6.00
Morpeth School	25.0	24.0	23.0	23	0.0
Mulberry School for Girls	47.0	48.0	54.0	52	-2.00
Oaklands School	32.0	21.0	44.0	39	-5.00
Raine's Foundation School	7.0	8.0	20.0	16	-4.00
St Paul's Way Trust School	12.0	28.0	34.0	37	+3.00
Sir John Cass Foundation	50.0	48.0	49.0	46	-3.00
Stepney Green Maths & Computing College	21.0	19.0	27.0	32	+5.00
Swanlea School	22.0	24.0	38.0	25	-13.00
England Average (all schools)	23	22.9	22.9	24.7	+1.8
<b>LA Average</b>	<b>22.7</b>	<b>24.7</b>	<b>29.9</b>	<b>27.8</b>	<b>-2.1</b>

## 4.14 KS5 / Post-16

New performance measures have been introduced for the 2016 KS5 Performance Tables - published on January 19<sup>th</sup> 2017, with further data due in March. The new performance measures for post 16 are:

1. **Student progress** – published January 2017
2. **Student attainment** – published January 2017
3. **English and Maths GCSE** – published January 2017
4. **Retention** – published March 2017
5. **Destinations** – published January 2017

Performance tables, subject content and assessment methods at KS5 have undergone substantial change. For example January re-sits of AS and A level units were stopped in 2014. These changes continue with 13 reformed A levels due to be examined at the end of the two year course for the first time in 2017. By 2019 all A levels will be examined in this way but until then we will have a mixed system. This means that it is no longer possible to compare year on year data across all the measures.

### Attainment

School level attainment data shows overall progress for A levels, Academic and Applied General subjects.

**Table 1 – Overall performance - average point score and grade**

	<b>A Level</b>	<b>Academic</b>	<b>Applied General</b>
	<b>2016</b>	<b>2016</b>	<b>2016</b>
<b>TH All</b>	28 (C-)	28 (C-)	38 (Dist+)
<b>National</b>	30 (C)	30 (C)	35 (Dist)

**Notes:** the academic measure includes A levels, AS levels, the International Baccalaureate and the Extended Project Qualification; Applied General qualifications are the main vocational subjects

### Commentary

- Tower Hamlets continues to perform at a lower level than national for A levels and Academic qualifications. Performance in the borough has been stable over the past 4 years but this is not comparing like with like as in 2013 and 2014 A levels were fully modular and students had several chances to re-sit modules. Since this system was phased out - and A levels have become more challenging - results have remained consistent and this suggests that schools are more careful about who students they recruit to A level courses and how their progress is monitored and tracked.
- Tower Hamlets Applied General students have continued to outperform National figures. This has been a consistent pattern since the vocational performance measure was introduced in 2013.

**Table 2 – Tower Hamlets KS5 providers: performance and attainment**

School	A level Average grade and point score	A level Progress Score (between KS4 and end of A levels and expressed as a proportion of a grade above or below national average)	AAB or higher in at least 2 facilitating subjects %	Average grade for a student's best 3 A levels	Academic	Applied General	Applied General Progress Score (between KS4 and end of Applied General and expressed as a proportion of a grade above or below national average)
Bishop Challoner	C-/25	0.14	4.7	C	C-/25	Dist*-/43	0.87
Bow	C/28	-0.08	25	C	C/28	SUPP	SUPP
Central Foundation	C-/28	-0.06	3.7	C	C-/28	Dist+/41	0.43
George Green's	C/29	0.19	SUPP	SUPP	C-/28	Merit-/21	-0.12
Green Spring Academy	C/29	-0.23	18.9	C	C/29	Dist+/47	0.28
Langdon Park	D+/25	-0.06	0	C-	D+/25	Dist+/38	0.1
Morpeth	C/29	-0.08	7.2	C	C/29	Dist+/41	0.6
Mulberry	C/30	-0.23	7.8	C+	C/30	Merit+/28	-0.95
Oaklands	C/30	-0.32	11.1	C	C/30	Dist/36	0.09
Raine's Foundation	D+/25	0.17	8.7	C-	C-/25	Dist+/40	0.73
St Pauls Way Trust	C/31	0.24	10.7	B-	C/31	NA	NA
Sir John Cass	C/29	0.01	5.7	C+	C/30	Dist*/48	1.04
Stepney Green	C-/28	0.07	22.2	C+	C-/28	Dist*-/42	0.44
Swanlea	C+/32	0.39	12	B-	C+/32	Dist*-/44	0.67
Tower Hamlets College	D+/22	-0.37	2.4	D+	D+/22	Merit+/30	-0.4
Tower Hamlets	C-/28	NA	7.7	C	28/C-	38/Dist+	NA
National	C/30	0.00	13.9	C+	31/C	35/Dist	0.00

**Commentary**

- 7 of our 15 providers are making above average A level progress
- 10 of our 13 providers are making above average Applied General progress
- 4 of our 15 providers are above average for A level attainment
- 13 of our 15 providers are above average for Applied General attainment

## 4.15 GCSE English and Maths – year 12 re-sit

Students who did not achieve a GCSE C+ in English Language and/or Maths have to re-sit either or both subjects in year 12. This is part of the government's exam reforms and this is the first year group to be required to do this. However not all of our providers offer GCSE English and Maths for post 16 students or numbers are so small that they are suppressed in the performance tables.

These scores show how much progress students at this school or college made in English and maths qualifications such as GCSE re-takes, between the end of key stage 4 and the end of the 16 to 18 phase of education. A positive score means that, on average, students got higher grades at 16 to 18 than at key stage 4. A negative score means that, on average, students got lower grades than at key stage 4. Students are included in these measures if they did not achieve a grade C or higher in their GCSE or equivalent by the end of key stage 4 in that subject.

School	Year 12 GCSE English progress score	Year 12 GCSE Maths progress score
Bishop Challoner	SUPP	SUPP
Bow	NA	NA
Central Foundation	0.82	0.46
George Green's	0.42	0.02
Green Spring Academy	1.5	SUPP
Langdon Park	SUPP	SUPP
Morpeth	SUPP	0.63
Mulberry	-0.22	-0.14
Oaklands	0.37	0.50
Raine's Foundation	-0.27	0.05
St Pauls Way Trust	SUPP	NA
Sir John Cass	0.34	-0.60
Stepney Green	SUPP	SUPP
Swanlea	0.29	0.23
Tower Hamlets College	-0.22	-0.25
Tower Hamlets	0.02	-0.10
National	-0.10	-0.13

### Commentary

- Tower Hamlets is above national for both GCSE English and Maths progress in year 12
- 6 of our 10 providers are above national for GCSE English progress
- 6 of our 9 providers are above national for GCSE Maths progress

## Destinations

School	Students staying in education or employment for 2 terms after 16-18 study %
Bishop Challoner	94
Bow	NA
Central Foundation	83
George Green's	77
Green Spring Academy	83
Langdon Park	NA
Morpeth	78
Mulberry	86
Oaklands	92
Raine's Foundation	97
St Pauls Way Trust	79
Sir John Cass	91
Stepney Green	NA
Swanlea	86
Tower Hamlets College	88
Tower Hamlets	87
National	88

### Commentary

- Tower Hamlets is slightly below national for destinations
- 5 of our 12 providers are above national
- There is a wide variation for our providers – ranging from 79% to 97%

### 4.16 Recent developments for KS5

**Tower Hamlets Progression Award** – this award is funded by the Mayor and is being used in a variety of ways by providers. The aim of the award is to:

To support young people to progress into further /higher education, apprenticeships and work.

To promote remaining in education and training post-school or college;

o promote a wider range of university and apprenticeship options post 18 for example by helping students travel to interviews; and,

To utilise funding to build capacity to support schools in preparing future Apprentices, Graduates and Workers

Schools and the College have developed a variety of activities. These include:

- a) Targeted work on groups of students not currently succeeding
- b) Development of supported Internships for young people with Special Educational Needs
- c) Development of alumni groups

- d) Widening access to selective universities
- e) Focus on educating parents on post school activities
- f) Developing employability skills ,social and cultural capital

**Merger of THC with Hackney College** – this has resulted in the creation of a very large local provider. This is set to get even bigger with an arrangement Redbridge College

**Re-launch of subject networks** – these are now well established and seen as extremely valuable for teachers, especially for the reformed A level subjects. This initiative is now being extended to BTEC vocational subjects.

**SEND review and implications for sixth forms** – there has been a lot of work done recently, following the SEND review, on post 16 provision. There is now a greater awareness of the variety of needs amongst this group of students and where there are gaps in provision.

#### **4.17 Priorities for KS5**

- Smooth transfer of post 16 tasks and responsibilities to the THEP
- Continue to improve A level outcomes
- Continue to address the unevenness FE provision
- Support schools in the implementation of the exam component for vocational courses
- Support the development of more high quality alternative provision placements
- Work to the full implementation of study programmes
- Improve progression to Russell Group and other top 50 universities
- Improve progression to apprenticeships
- Implement SEND reforms at post 16



#### **4. COMMENTS OF THE CHIEF FINANCE OFFICER**

- 4.1 This report is identifying the prioritisation of available resources. The recommendations are not seeking any additional funding. However, the services supporting schools to achieve improvement at all key stages face reductions in Education Services Grant (ESG) funding. This may, potentially, mean that the Local Authority is unable to support improvement activities that it does at current levels. Further government guidance is awaited on the role of Local Authorities in improving schools.
- 4.2 The Education Partnership (THEP) work will be important in supporting schools in the future. The integration of early years and Children's centres will also focus on improving the achievement of 0 to 4 year olds.

#### **5. LEGAL COMMENTS**

- 5.1 The Council's functions in relation to children include a duty under section 11 of the Children Act 2004 to make arrangements to ensure that its functions are discharged having regard to the need to promote the welfare of children. Section 17 of the Children Act 1989 introduced a general duty for local authorities to promote the welfare of children within their area who are in need, including children with disabilities.
- 5.2 The Council has a general duty under section 13 of the Education Act 1996 to secure that efficient primary, secondary and further education are available in Tower Hamlets to meet the demands of the local population. The Council is additionally required by section 13A of the Education Act 1996 to discharge its relevant education functions with a view to: promoting high standards; ensuring fair access to opportunity for education and training; and promoting the fulfilment of learning potential by every person under 20 and persons aged 20 or over but under 25 now subject to education, health care needs assessment.
- 5.3 Additionally, the Education Act 2002 places a duty on Local Authorities and schools to promote the spiritual, moral, cultural, mental and physical development of pupils at the school and to prepare pupils for the opportunities, responsibilities and experiences of later life. Fulfilling this duty requires a broad and inclusive strategy, part of which focuses on ensuring that the provision of education and care is of the highest quality.
- 5.4 The Childcare Act 2006 ("the 2006 Act") imposes a general duty on the Council to (a) improve the well-being of young children in their area; and (b) reduce inequalities between young children in their area in respect of various matters, including education, training and recreation, the contribution made by them to society and social and economic well-being. The Council must make arrangements to secure that early childhood services in its area are provided in an integrated manner, which is calculated to facilitate access to those services, and to maximize the benefit of those services to parents, prospective parents and young children.

- 5.5 Having regard to the Council's duties set out above, it is appropriate that the Mayor's Advisory Board should consider and comment on the proposed strategies to improve education results as recommended..
- 5.6 It is important to note that data kept on pupils is personal data and must be managed in accordance with the requirements of the Data Protection Act 1998.
- 5.7 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 High quality education remains a priority for the borough. Members will want to be aware that our schools at both 11 and 16 out perform similar boroughs locally, and many others with far fewer challenges nationally. A good education remains central to helping our community move out of poverty.]

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

- 7.1 The Best Value duty requires the Council to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness. The work in school improvement is very highly rated by schools and funded almost entirely directly by them through the Dedicated Schools Grant or DSG, providing excellent value for the Council Tax payer.]

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

- 8.1 Not applicable..

## **9. RISK MANAGEMENT IMPLICATIONS**

- 9.1 Members will be aware that the integration of the early years and children's centres teams is underway. This group will take responsibility for the performance of 0-4 year olds, three-quarters of whom speak a language other than English at home. Members will want to reaffirm the focus on this area, which remains with the Council under the THEP developments.
- 9.2 THEP identified the issues extent within this Report in their developing business plan and included outcome measures in their Report to Cabinet earlier this year. Members may want to reassure themselves, however, that the business plan is sufficiently robust to address the performance issues identified in this Report. Members will also note that this is not a school level report although some schools are mentioned. Detailed school level planning will be needed if the Borough intends to ensure that it remains in its position of having no schools in an Ofsted category. (The Report does identify that

Raines Foundation school remains at very significant risk following the collapse in its mathematics results this summer.)

- 9.3 We have also invested significant sums in our parent partnership work: this team helps families access our services and has particular reach into our poorest communities. However, it is clear that at every stage, it is our white heritage families living in or close to poverty that struggle to find success in our schools, with the gap between white British achievement and our borough average narrowing but remaining too wide. The work underway in this area will need to be reviewed at regular intervals to ensure it impacts on the target groups.

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

- 10.1 Generally, well-educated young people are less likely to commit crime or disorder and so these outcomes reduce that risk

## **11. SAFEGUARDING IMPLICATIONS**

- 11.1 See above
- 

### **Linked Reports, Appendices and Background Documents**

#### **Linked Report**

- NONE

#### **Appendices**

- NONE

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

- NONE

#### **Officer contact details for documents:**

N/A

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<p><b>Cabinet Decision</b></p> <p>7 February 2017</p>	
<p><b>Report of:</b> Debbie Jones, Interim Corporate Director (Children's Services)</p>	<p><b>Classification:</b> Unrestricted</p>
<p><b>Determination of School Admission Arrangements for 2018/19</b></p>	

<b>Lead Member</b>	<b>Councillor Rachel Saunders, Cabinet Member for Education &amp; Children's Services</b>
<b>Originating Officer(s)</b>	Terry Bryan, Head of Pupil Services Christine McInnes, Divisional Director Education and Partnership
<b>Wards affected</b>	All wards
<b>Key Decision?</b>	Yes
<b>Community Plan Theme</b>	A Prosperous Community

### Executive Summary

This report presents recommendations for Cabinet to agree the Council's school admission arrangements for Tower Hamlets Community Schools and those schools for whom the Council acts as the admission authority.

### Recommendations:

The Mayor in Cabinet is recommended to:

1. Agree the oversubscription criteria for admission to Community Nursery Schools/Classes in 2018/19, as set out in Appendix 1.
2. Agree the proposal to establish central system for the co-ordination of applications for admission to Tower Hamlets nursery schools and classes as outlined in paragraph 3.8.
3. Agree the oversubscription criteria for admission to Community Primary Schools in 2018/19, as set out in Appendix 2.
4. Agree the oversubscription criteria for admission to Community Secondary Schools in 2018/19, as set out in Appendix 3.
5. Agree the schemes for co-ordinating admissions to the Reception Year and Year 7 for 2018/19, as set out in Appendix 4.
6. Agree the scheme for co-ordinating 'In-Year' Admissions for 2018/19, as set out in Appendix 5.
7. Agree the planned admission number for each school in Tower Hamlets in 2018/19, as set out in Appendix 6.

## **1. REASONS FOR THE DECISIONS**

- 1.1 The Council decides and implements its school admission arrangements through local consultation and collaboration, enabling it to fully understand and meet circumstances in its area. In doing so, the Council seeks to provide a clear framework intended to ensure that arrangements are lawful, reasonable and minimise delay to children accessing education.
- 1.2 The proposed schemes, consultation and recommendations in this report are consistent with the Council's statutory duties as set out in the most recent revision of the School Admissions Code (Dec 2014).
- 1.3 The co-ordination of admissions arrangements together with school catchment areas provide a framework to plan the provision of school places more coherently, taking account of existing and future school locations; travelling distance; pupil migration and changes in neighbouring boroughs.

## **2. ALTERNATIVE OPTIONS**

- 2.1 The Council has a statutory duty to annually determine the arrangements for admission to its community schools and to formulate a complying scheme for co-ordinating admissions at the main points of entry (i.e. reception, Year 3 for junior schools and Year 7 for transfer from primary to secondary school). If Cabinet fails to take such action the Council would be acting contrary to the law.
- 2.2 The recommendations in this report have been prepared with regard to the need for arrangements to be clear, objective and fair. Due consideration has been given to alternative admission arrangements, but any alternative action could lead to inequality and leave the Council open to legitimate complaint and legal challenge. If Cabinet wished to consider adoption of alternative arrangements, then full consideration would need to be given to the guidance provided, particularly as to the legal requirements.

## **3. DETAILS OF REPORT**

- 3.1 A Local Authority must consult the public on its school admission arrangements at least once every 7 years, unless it is proposing changes. Tower Hamlets consults on its arrangements every year. This is to ensure that they continue to promote and enable fair access, secure choice and diversity, and give parents and the wider community opportunity to make informed representation.
- 3.2 The public consultation took place between 1st November and 30<sup>th</sup> December 2016. An analysis of the responses is attached as Appendix 7.
- 3.3 The Tower Hamlets School Admission Forum, representative of all the key stakeholders in the admission process, including parents, schools, community organisations, diocesan bodies and the Council of Mosques, discussed and agreed the proposals at its meeting on the 8<sup>th</sup> December 2016.

### 3.4 Church, Academy and Free Schools

Church, Academy and Free Schools are responsible for determining their own admissions policies. They will therefore consult separately and especially when changes are being proposed. Although these schools decide on their own admissions they must participate in the Local Authority's determined arrangements for co-ordinating admissions for entry to primary and secondary school as set out in paragraph 3.9 below.

### 3.5 Nursery Admissions Arrangements (Appendix 1)

There are no proposals to alter the existing oversubscription criteria for admission to community nursery schools and classes, but the Local Authority is proposing the establishment of a central system for the co-ordination of applications for admission to Tower Hamlets nursery schools and classes as outlined in paragraph 3.8.

### 3.6 Primary School Admission Arrangements (Appendix 2)

There are no proposals to alter the existing arrangements and oversubscription criteria for admission to primary schools. The primary school catchment system, first introduced for the 2013/14 school year, has led to better outcomes for Tower Hamlets residents with a high proportion of children gaining a place at a nearby primary school. The percentage of Tower Hamlets children securing a place at one of their parent's top three preferences is now significantly above the London average with the results for the past four years shown in the chart below:

School Year	% of LBTH children securing a place at one of their top three preferences of primary school	London Average
2013/14	93%	92%
2014/15	95%	92%
2015/16	95%	92.5%
2016/17	96%	94%

However, in order to ensure that these results remain positive there will be a need for periodic modifications to primary school catchment areas, based on projected future changes in the pupil population and the Council's planned developments to increase its school place capacity. It will also need to take account of the addition of new schools to the Tower Hamlets area through the Government's free school approval process.

In response to the public consultation, significant representation was received from headteachers of community primary schools. With the current teacher shortage, a number of headteachers have requested that the Authority consider the introduction of a 'children of staff criterion' to assist in attracting and retaining teaching staff. This would mean the Authority introducing an additional oversubscription criterion giving priority to children of staff who have been employed at the school for more than two years.

Such a change would be permitted under the current regulations, but the Authority **must** first publically consult to allow parents, schools, religious authorities, the local community and neighbouring local authorities to give their views and comments on what would be a significant change. There is not, at this stage, the opportunity to gather and consider the public view until the Authority next consults on its school admission arrangements for the 2019/20 school year. The Authority will therefore consult on this proposed change when determining its admission arrangements for 2019/20 school year. .

### 3.7 Secondary School Admission Arrangements (Appendix 3)

There are no proposals to change the existing arrangements and oversubscription criteria for admission to secondary schools. The outcomes for children starting secondary school remain positive and continue to exceed the London average. The percentage of Tower Hamlets children securing a place at one of their top three preferences over the past four years is shown in the chart below:

School Year	% of LBTH children securing a place at one of their top three preferences of secondary school	London Average
2013/14	91%	90%
2014/15	93%	90%
2015/16	93.5%	88.5%
2016/17	93.5%	88.5%

### 3.8 Proposal for the Central Coordination of Admissions to Nursery Schools/Classes

In 2015 the Local Authority made changes to the application arrangements and oversubscription criteria for admission to Community Nursery Schools and Classes, to bring them into line with the arrangements for primary school admissions as follows:

- The introduction of priority admissions zones (catchment areas) and a new tie-break criterion, giving priority to families in the catchment area who are applying to their child's nearest nursery school.
- A Common Application Form.
- A single closing date and borough wide offer day, ensuring that as many families as possible receive a nursery offer at the earliest stage.
- New criteria to determine priority for either a full-time or part-time place.

The early outcomes as a result of these changes have proved beneficial and have been positively received by schools and families. It has prompted a request from Council Members to explore the possibility of the Local Authority taking full responsibility for the management of the nursery admissions process, by establishing a central system for the co-ordination of applications for admission to community nursery schools and classes. This idea was then discussed with the Tower Hamlets School Admission Forum, a group representative of key stakeholders, including parents, community organisations and headteachers of nursery and primary schools.



The Forum agreed that there were many potential benefits to the Local Authority co-ordinating nursery admissions. It would:

- Provide parents with one source of information for all admissions stages;
- Enable parents to apply online to one central agency;
- Assist the Local Authority with its pupil place planning and forecasting need for the reception year of primary school;
- Be more resource effective as it would help to create a database ready for the reception year admission process;
- Facilitate better support for families in securing their free nursery entitlement and thus enable the Local Authority to fully comply with its statutory duty;
- Provide the LA with access to information on the demand for nursery places as well as improve the management and funding of these places;
- Identify children entering maintained provision without any prior pre-school experience;
- Better facilitate the transfer of information for children with special educational needs thus enabling schools to undertake the necessary planning to best meet their needs;
- Enable the tracking of children who have accessed the disadvantaged 2 year old entitlement.

The Authority therefore decided to include the proposal for the central co-ordination of nursery admissions in its annual public consultation on school admissions which took place from 1<sup>st</sup> November to 30<sup>th</sup> December 2016.

From the thirty four respondents to the consultation over 70% supported the proposal for a central system to co-ordinate applications for admission to nursery. Those that disagreed were concerned that a central system would remove the personal connection that parents have with schools and limit a school's ability to support families who were in most need. It was felt the current system, where schools were approached directly, gave parents more control of the nursery admission process. Those that agreed with the proposal felt that a centralised system would make things clearer and easier for parents as well as remove the need for them to apply to more than one agency. The new system would need to be heavily publicised across a number of platforms supported by events to raise public awareness.

School Admission Forum members were united in their agreement that they could only see benefits to a system of co-ordinated nursery admissions. It would enable parents to apply for multiple nursery places on one application, receive notification of the outcomes at the same time; and be confident that the process was transparent and fair. There would also be important safeguarding provisions and pupil place planning benefits for the Authority in being able to establish a central record of nursery applications and placements.

Given the support received by respondents and the overwhelming support from the School Admissions Forum the Authority is recommending to cabinet that the Council moves to a system for the central co-ordination of admissions to community nursery schools and classes. However, in order to ensure that the new system is able to work effectively from the outset, the Authority is also recommending that the change is formally introduced in September 2018, the start of the application process for nursery admissions in the school year in 2019/20. This will give sufficient time for the Authority to publicise and raise awareness of the impending change as well as engage with nursery and primary headteachers and other key stakeholders through the planning processes.

If cabinet agrees to the recommendation it will require additional staffing resources and some minor ICT development at a cost of 75k per annum. This cost will be contained within existing budgets.

### 3.9 Coordinated Admission Scheme – Reception, Year 3 and Year 7 (Appendix 4)

The Local Authority has a statutory responsibility to co-ordinate admissions for children starting primary school, moving from infant to junior school and those transferring from primary to secondary school. The aim is to ensure that as many children as possible are able to receive an offer of a school place at the earliest stage. The scheme and timetable is devised in conjunction with the other London LAs

### 3.10 Co-ordinated Admission Scheme – In-Year Admission (Appendix 5)

The Authority co-ordinates admissions for children who require a school place outside of the normal points of entry. This is not a statutory requirement, but it is an essential safeguarding provision that provides the Authority with the most effective way of ensuring that children missing from education can be identified and supported back into school quickly, particularly children who have experienced more complex problems and would therefore face tougher obstacles to them getting back into suitable education.

A scheme for co-ordinating in-year admissions is also essential at a time when the numbers of children requiring school places outside the normal points of entry remains high. The Authority and its school partners have put in place a number of measures to support existing residents and new arrivals to the area. This includes an established Fair Access Protocol that enables vulnerable children to be placed in educational provision quickly as well as ensuring that every school takes its fair share of children who are difficult to place.

## 4. COMMENTS OF THE CHIEF FINANCE OFFICER

- 4.1 The proposal for the central coordination of the nursery admissions, if approved, will lead to additional costs of £75k which will be charged to the DSG budget. However, the service manager has advised that the costs can be funded from existing budgets.

## **5. LEGAL COMMENTS**

- 5.1 The Council is asked to agree the admission arrangements (including oversubscription criteria) for 2018/2019 as set out in paragraph 2 of the report. The full details of the arrangement are set out in the Appendices 1 to 6. The recommended proposals comply with the provisions outlined below.
- 5.2 The Council is the admission authority for all community and voluntary controlled schools in Tower Hamlets. At least one voluntary aided school and one academy also use the same admissions arrangements. The Council is responsible for administering the co-ordinated scheme for all Tower Hamlets schools, including academy and free schools so that parents apply to their home local authority (irrespective of where the school might be) and receive one offer of a school place.
- 5.3 Section 88C of the School Standards and Framework Act 1998 (“SSFA”) requires the Council in its role as admission authority to determine the admission arrangements that will apply in line with regulations (currently, the School Admissions (Admission Arrangements and Co-Ordination of Admission Arrangements) (England) Regulations 2012 (“the Admission Regulations 2012”) as amended and the mandatory requirements of the School Admissions Code (“the Code”).
- 5.4 The Admission Regulations and the Code require that for the school year 2018/2019, the Council must –
- (a) Carry out any consultation required by SSFA section 88C and the Regulations between 1 October 2016 and 31 January 2017;
  - (b) Allow consultees at least six weeks to respond; and
  - (c) Determine its admission arrangements on or before 28 February 2017.
- 5.5 Once the Council has determined its arrangements it must notify the appropriate bodies, set out in the Code, and publish a copy of the determined arrangements on its website by 15 March in the determination year for the whole offer year, for any school or Academy in Tower Hamlets.
- 5.6 Where changes are proposed to admission arrangements, the Council must first publicly consult on those arrangements. The Council must consult the public on its admission arrangements at least once every 7 years unless it is proposing changes. Where there are no changes proposed, the Council is not required by the Regulations to consult, but can still do so if it chooses and should do so where it is considered necessary to properly assess the impacts of the arrangements. The Council consults on its arrangements every year.
- 5.7 The recommendations include proposals for the central co-ordination of nursery admissions in its public consultation [Appendix 1]. There is no statutory requirement for the proposal but it is a reasonable proposal in order to bring them in line with arrangements for primary school admissions. There is no statutory requirement to co-ordinate admissions for children who require a school place outside the normal points of entry (In-Year Admissions). However, the Council does so, as a safeguarding provision (Appendix 5).

- 5.8 Any consultation carried out for the purposes of assessing the impact of the admission arrangements should comply with the following principles: (1) it should be at a time when proposals are at a formative stage; (2) the Council must give sufficient reasons for any proposal to permit intelligent consideration and response; (3) adequate time must be given for consideration and response; and (4) the product of consultation must be conscientiously taken into account. The analysis of the responses to this year's consultation is at Appendix 7, which includes how the Council has taken account of those responses.
- 5.9 When determining its admission arrangements, the Council is required by section 84(3) of the School Standards and Framework Act 1998 to act in accordance with the relevant provisions of the Code, which applies to all maintained schools. One requirement of the Code is that the Council must set an admission number (the Planned or Published Admission Number (PAN) for each relevant age group. For a community or voluntary controlled school, the Council (as admission authority) must consult at least the governing body of the school where it proposes either to increase or keep the PAN (Appendix 6).
- 5.10 In determining the admission arrangements, 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. Relevant information on these considerations is provided in the One Tower Hamlets section of the report.

## **6. ONE TOWER HAMLETS CONSIDERATIONS**

- 6.1 The Council aims to establish and promote admission arrangements that seek to eradicate inequality and maximise the accessibility of school places. These policies are circumscribed by law and statutory guidance. They comply with equalities legislation and, as far as possible, are inclusive of the community. The Council is also mindful of its duty to ensure that school admission decisions meet parental preference, where possible. It monitors outcomes to ensure that any proposed policy change explains the background, identifies the issues of concern and highlights the potential benefits.

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

- 7.1 Best Value is a core objective of the proposals outlined as they seek to secure the best outcomes for the population in the context of fair access to high quality local school provision.

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

- 8.1 The underpinning principle for community school admission arrangements is to provide local places for local children. This reduces the need for pupils to travel long distances to school. The existing admission arrangements aligned with proposed school expansions seeks to alleviate the pressure on school places in parts of Tower Hamlets and reduce the number of children who are travelling out of their immediate areas to access the nearest available school place.

## **9. RISK MANAGEMENT IMPLICATIONS**

- 9.1 Admission arrangements must be reviewed periodically in accordance with the DfE School Admissions Code (2014). Failure to do so could lead to legal challenge and a loss of confidence in the Council as an admission authority.
- 9.2 Although, in practice, the Council maintains a high standard of ensuring that a very high percentage of families obtain a place at one of their preferred schools, there is still the need for it to regularly monitor and review its school admissions arrangements. The Council must ensure that these arrangements continue to provide fair and equal access to school places for all children. The risk of not implementing the proposed policies could mean that arrangements would no longer reflect these underlying social equity principles.

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

- 10.1 There are no crime and disorder implications.

## **11. SAFEGUARDING IMPLICATIONS**

- 11.1 These proposals, particularly the arrangements for the Local Authority to co-ordinate admissions at all points of entry, demonstrate that the Council is working collaboratively with schools and other agencies to safeguard and promote the well-being of all children in the borough.

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### **Linked Report**

- None

### **Appendices**

- Appendix 1 Proposed admission arrangements and oversubscription criteria for Tower Hamlets community nursery classes in 2018/19.
- Appendix 2 Proposed admission arrangements and oversubscription criteria for Tower Hamlets community primary schools in 2018/19
- Appendix 3 Proposed admission arrangements and oversubscription criteria for Tower Hamlets community secondary schools in 2018/19.
- Appendix 4 Proposed scheme for co-ordinating admissions to Reception and Year 7 for 2018/19
- Appendix 5 Proposed scheme for co-ordinating In-Year admissions for 2018/19
- Appendix 6 Planned Admission Number for school in Tower Hamlets in 2018/19
- Appendix 7 Analysis of the Responses to the Public Consultation

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

- None

**Officer contact details for documents:** N/A

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**TOWER HAMLETS CHILDREN'S SERVICES**  
**Proposed Admissions Arrangements for**  
**Community Nursery Schools and Classes**  
**2018-19**



**Version:** 1.0  
**Date issued:** October 2016  
**Prepared by:** Pupil Services  
Children's Services  
Directorate



## 1. Introduction

- 1.1 Nursery education is provided in a range of settings in Tower Hamlets. This policy is for nursery education provided in community schools. Children will normally attend either a nursery school or a nursery class attached to a primary school. Some schools provide nursery education in an Early Years Unit attached to their school (EYU). The EYUs accept children aged from three to five years inclusive. All of these schools offer a mixture of part time places (either a morning or an afternoon); and full time places.
- 1.2 In this policy the term 'school' refers to a nursery school, a nursery class attached to a primary school or a school with an EYU.

## 2. Nursery Entitlement

- 2.1 All children aged three and four are entitled to 15 hours a week free nursery education during school term times (38 weeks a year), from the term following their third birthday.
- 2.2 Parents considering sending their child to a playgroup as well as a nursery class may wish to think about what impact this would have on their child and how they would cope with the two environments. The adjustment is often very demanding and confusing for children of this age and much of the benefit from either setting could be lost. Once children take up a nursery place, it is in their interests to remain at that school until they have to move on. Children take at least a term to settle and can find it very upsetting to move at this stage. Transfers are only considered if a family has moved from the area or on exceptional grounds.

## 3. Age of Admission to a Nursery School/Class

- 3.1 Parents who would like a nursery place for their child should get in touch with the preferred school when the child reaches the age of two.
- 3.2 The actual age at which a child can start will depend on the number of places available but will not be before the term after they turn three. In exceptional circumstances a child may start in the term they turn three but this will need agreement from the Local Authority.

## 4. Applying for a Place

- 4.1 Applications can be made by parents or carers with parental responsibilities who are residents of Tower Hamlets and professionals with parents' agreement. Application forms are available from schools, nurseries and Children Centres.
- 4.2 The closing date for applications is **15th January 2018** and the date on which families are sent notification of the outcome is **7th May 2018**.
- 4.3 Further information on the nursery schools and classes and how to apply for a place is set out in the Local Authority's school admissions booklet, 'Starting School in Tower Hamlets'.

## 5. How Decisions are Made

- 5.1 Individual schools will make decisions on applications for nursery places in accordance with the criteria and arrangements set out below. Children who attend a school's nursery class do not have priority for admission to the reception year as decisions on primary school admissions are taken separately.



## 6. Oversubscription Criteria

- 6.1 If a community school receives more nursery applications than places available the decision on whether or not a place can be offered will be made in accordance with the admission criteria set out in priority order below:
1. Children looked after by the local authority including adopted children who were previously looked after and children who leave care under a special guardianship or residence order;
  2. Children for whom it is deemed there is strong educational, medical or social reason to attend the school applied to (**See note 1**);
  3. Children living within the catchment area who have a sibling attending the school (including the school of separate infants and junior schools) and who will continue to do so on the date of admission (**See Note 2**);
  4. Children who live within the catchment area of the school and for whom the school applied for is their nearest community school within the catchment area;
  5. Other children from within the catchment area of the school;
  6. Children living outside of the catchment area of the school applied to.

In the event of oversubscription within categories 3, 4, 5, and 6 above, priority will be given to children who live closest to the school by the shortest walking distance. A digitised Ordnance Survey map is used to measure the distance from the home address to the school's designated official entrance.

**Note 1:** This can include the parents', carers' or other family members' medical conditions and the family's social needs. Parents must complete the relevant section on the application form and attach medical and/or social reports from a suitable professional (e.g. a doctor or social worker) to support the application.

**Note 2:** Includes the sibling of child who does not live within the school's catchment area, but who was admitted before the start of the 2015/16 school year. For this purpose "sibling" means a whole, half or step-brother or step-sister resident at the same address.

**Note 3:** A digitised Ordnance Survey map is used to measure the distance from the home address to the school's designated official entrance.

**Note 4:** Private, independent, academy and voluntary aided school nurseries have their own admission policy.

**Note 5:** Tie- Break - If a school receives more applications for children in the catchment area than there are places available, the school must decide who to offer places to. The 'tie-break' used gives priority to children who live closest to the school measured by the shortest walking distance. This reduces the possibility of a family having to undertake an unreasonable journey to a school and provides equal opportunity for families living in parts of the borough where there are a limited number of schools.

## 7. Catchment Area

- 7.1 The school catchment area is the defined area in which a school is located. It is generally bounded by major roads and/or railway/canal. The catchment area for each Tower Hamlets Community school is set by the Local Authority and designed to ensure that each address in the borough falls into the catchment area of local school. Details of community schools within the catchment area for a particular address can be viewed on the Local Authority's website: <http://www.towerhamlets.gov.uk/equalchance>.

## 8. Full and Part-Time Places

- 8.1 Once places are offered, children are then allocated full-time or part-time places. This is done in accordance to the following list of priority:

<b>Priority 1</b>	Children with Special Educational or Complex Needs
<b>Priority 2</b>	Children looked after by the Local Authority including adopted children who were previously looked after and children who leave care under a special guardianship or residence order.
<b>Priority 3</b>	Children for whom it is deemed there is strong medical or social reason.
<b>Priority 4</b>	Children of working parents or parents who are studying.

- 8.2 It is important that the Common Application Form is completed and all relevant information is provided to support your child's application. The information on the form will not only determine admission to the school; it will also help decide whether your child is offered a full-time or part-time place.

## 9. Late Applications

- 9.1 Applications received after the closing date will be treated as late applications unless there is evidence to show that the application or amendment could not reasonably have been made on time. Late applications will be given a lower priority and will be dealt with after all on time applications in the first round of offers are made. Where a school is oversubscribed late applications will be refused and placed on the waiting list in accordance with the admission criteria.
- 9.2 Where the Local Authority has determined there are exceptional circumstances for the late submission of an application it will be treated as 'on time' and, where possible, considered alongside existing applications.

## 10. Waiting List

- 10.1 There is no requirement for schools to maintain a waiting list, however if schools are going to maintain a list then this should be kept in line with the Admissions Policy. Any vacancy should be filled with the child at the top of the waiting list and must not be on a first-come-first-serve basis.

## 11. Twins and Multiple Births

- 11.1 For applications made in the normal admission round, if the last child to be offered a place is a twin and their sibling cannot be offered initially, the school will ensure both twins are offered a place. In the case of triplets or other multiple births, if the majority of children can be offered a place initially, the school will offer places to the remaining children. For example, if two triplets can be offered a place, the remaining child will also receive an offer of a place.

## 12. Parents wishing to make representation about nursery decisions

- 12.1 Parents who are dissatisfied with the outcome of the nursery application should contact the headteacher of the school in the first instance. If they remain dissatisfied then they should contact the Pupil Services Manager.

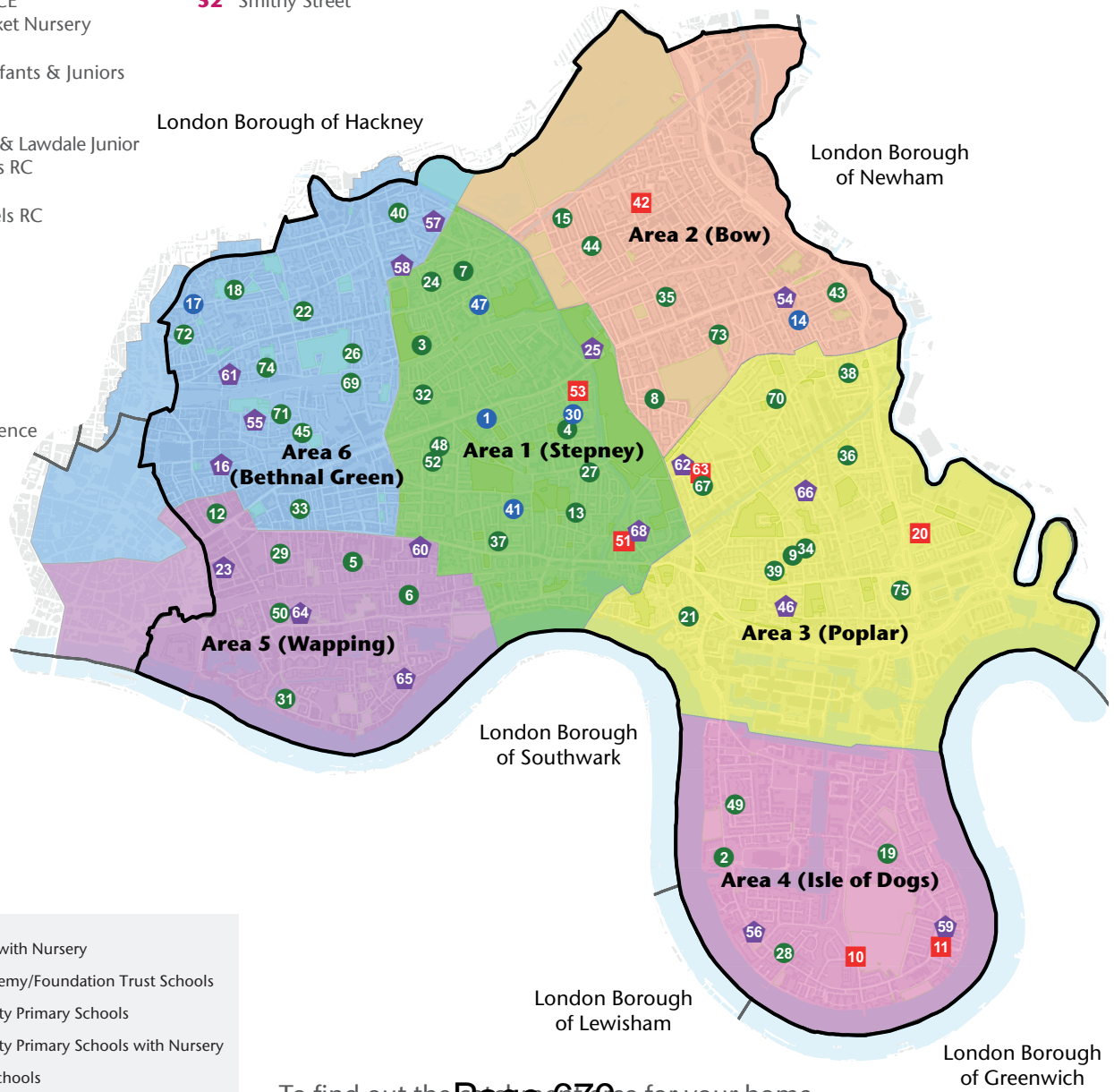
- 1 Alice Model Nursery
- 2 Arnhem Wharf
- 3 Bangabandhu
- 4 Ben Jonson
- 5 Bigland Green
- 6 Blue Gate Fields Infants & Junior
- 7 Bonner (Bethnal Green)
- 8 Bonner (Mile End)
- 9 Bygrove
- 10 Canary Wharf College East Ferry
- 11 Canary Wharf College Glenworth
- 12 Canon Barnett
- 13 Cayley
- 14 Children's House
- 15 Chisenhale
- 16 Christ Church CE
- 17 Columbia Market Nursery
- 18 Columbia
- 19 Cubitt Town Infants & Juniors
- 20 Culloden
- 21 Cyril Jackson
- 22 Elizabeth Selby & Lawdale Junior
- 23 English Martyrs RC
- 24 Globe
- 25 Guardian Angels RC
- 26 Hague
- 27 Halley
- 28 Harbinger
- 29 Harry Gosling
- 30 Harry Roberts
- 31 Hermitage
- 32 John Scurr
- 33 Kobi Nazrul
- 34 Lansbury Lawrence
- 35 Malmesbury
- 36 Manorfield

- 37 Marion Richardson
- 38 Marnar
- 39 Mayflower
- 40 Mowlem
- 41 Old Church
- 42 Old Ford
- 43 Old Palace
- 44 Olga
- 45 Osmani
- 46 Our Lady & St Joseph
- 47 Rachel Keeling
- 48 Redlands
- 49 Seven Mills
- 50 Shapla
- 51 Sir William Burrough
- 52 Smithy Street

- 53 Solebay Primary School\*
- 54 St Agnes RC
- 55 St Anne's RC
- 56 St Edmund's RC
- 57 St Elizabeth's RC
- 58 St John's CE
- 59 St Luke's CE
- 60 St Mary & St Michael RC
- 61 St Matthias CE
- 62 St Paul's With St Luke's CE
- 63 St Paul's Way Foundation
- 64 St Paul's Whitechapel CE
- 65 St Peter's (London Docks) CE

- 66 St Saviours CE
- 67 Stebon
- 68 Stepney Greencoat CE
- 69 Stewart Headlam
- 70 The Clara Grant
- 71 Thomas Buxton
- 72 Virginia
- 73 Wellington
- 74 William Davis
- 75 Woolmore

\* Since Sept 1, known as Solebay Primary" (formerly CET)



- N Academy with Nursery
- Free/Academy/Foundation Trust Schools
- Community Primary Schools
- N Community Primary Schools with Nursery
- N Nursery Schools
- ◆ Voluntary Aided Primary Schools
- Borough Boundary

To find out the catchment area for your home address, please view the maps or visit the website:  
[www.towerhamlets.gov.uk/equalchance](http://www.towerhamlets.gov.uk/equalchance)

# Schools in the catchment area

## Community schools:

- 1** Alice Model Nursery
- 3** Bangabandhu
- 4** Ben Jonson
- 7** Bonner (Bethnal Green)
- 13** Cayley
- 24** Globe
- 27** Halley
- 30** Harry Roberts Nursery
- 32** John Scurr
- 37** Marion Richardson
- 41** Old Church Nursery
- 47** Rachel Keeling Nursery
- 48** Redlands
- 52** Smithy Street

## Voluntary primary schools:

- 25** Guardian Angels RC
- 68** Stepney Greencoat CE

## Academy/free schools:

- 51** Sir William Burrough
- 53** Solebay - a Paradigm Academy (uses same admissions policy as community schools)

## Area covered:

- South of Approach Road and Old Ford Road
- West of Regents Canal (up to the Railway Bridge on Grove Road)
- West of Grove Road and Burdett Road
- North of Limehouse Cut from Burdett Road to River Thames
- North of River Thames
- East of Brodlove Lane and Devonport Street
- East of Lukin Street
- North of Commercial Road (from Lukin Street to Sidney Street)
- East of Sidney Street and Cambridge Heath Road



	Academy with Nursery
	Free/Academy/Foundation Trust Schools
	Community Primary Schools
	Community Primary Schools with Nursery
	Nursery Schools
	Voluntary Aided Primary Schools
	Borough Boundary

## Schools in the catchment area

### Community schools:

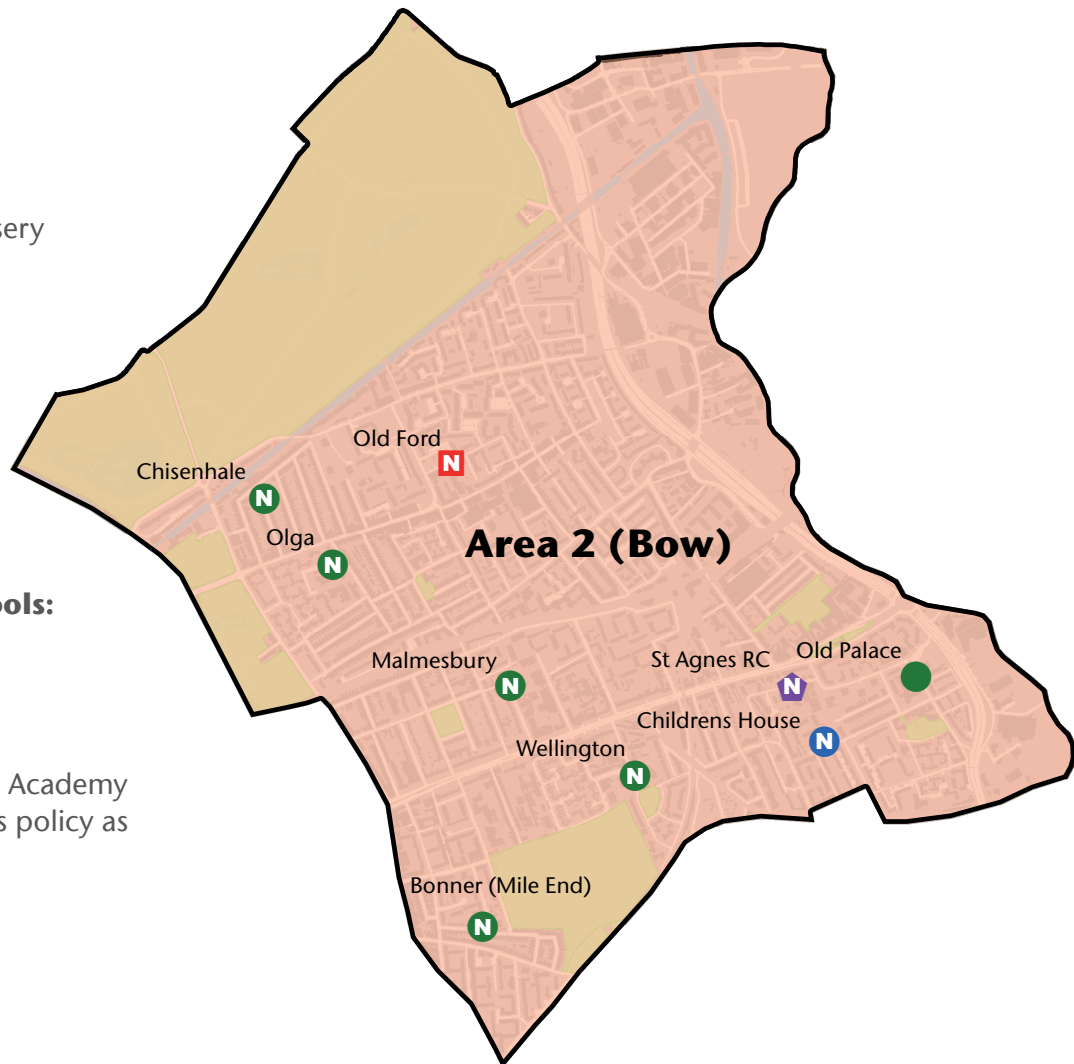
- 8** Bonner (Mile End)
- 14** Children's House Nursery
- 15** Chisenhale
- 35** Malmesbury
- 43** Old Palace
- 44** Olga
- 73** Wellington

### Voluntary primary schools:

- 54** St Agnes RC

### Academy/free schools:

- 42** Old Ford - a Paradigm Academy (uses same admissions policy as community schools)



## Area covered:

- South of Approach Road and A106 Victoria Park Road
- South of Cadogan Terrace
- West of River Lea
- East of Regents Canal (from Railway Bridge on Grover Road) and Burdett Road
- North of the railway line connecting Limehouse and Bromley by Bow

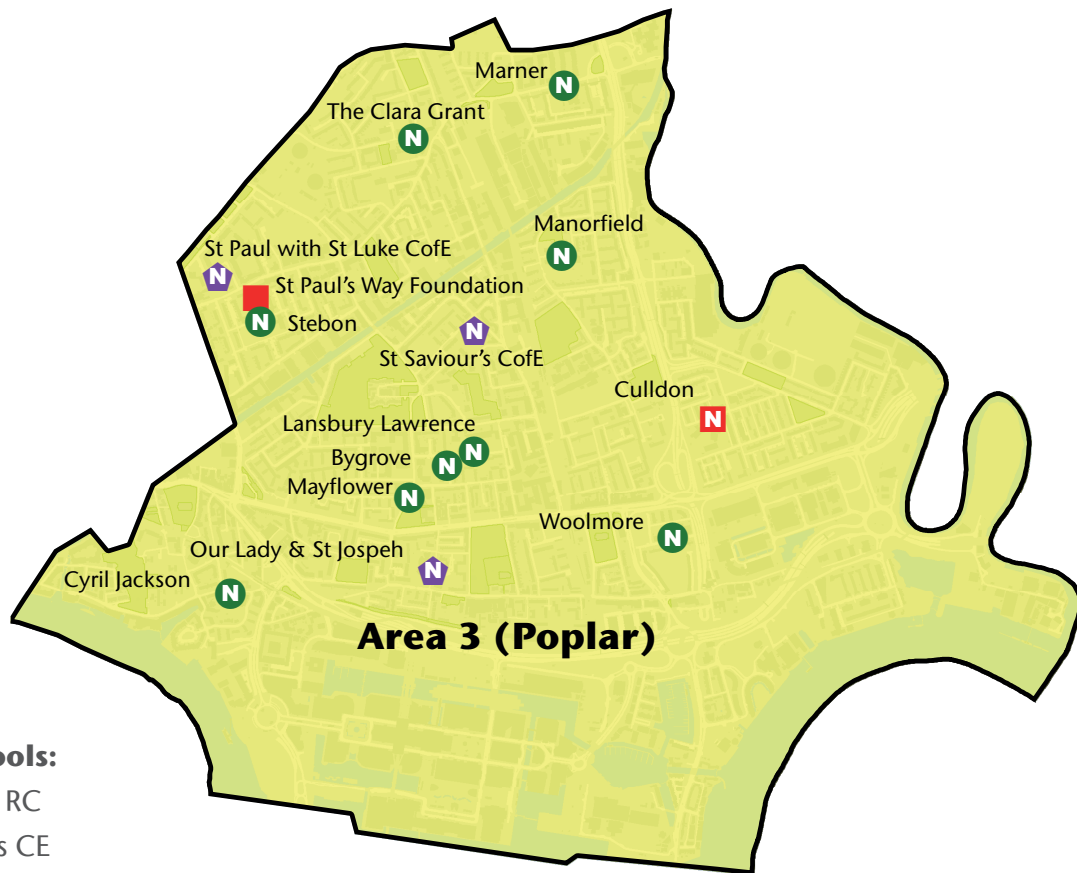
	Academy with Nursery
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	Community Primary Schools
	Community Primary Schools with Nursery
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	Voluntary Aided Primary Schools
	Borough Boundary

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## Schools in the catchment area

### Community schools:

- 9** Bygrove
- 21** Cyril Jackson
- 34** Lansbury Lawrence
- 36** Manorfield
- 38** Marner
- 39** Mayflower
- 67** Stebon
- 70** The Clara Grant
- 75** Woolmore



### Voluntary primary schools:

- 46** Our Lady & St Joseph RC
- 62** St Paul's with St Luke's CE
- 66** St Saviours CE

### Academy/foundation trust schools:

- 20** Culloden - a Paradigm Academy (uses same admissions policy as community schools)
- 63** St Paul's Way Foundation

### Area covered:

- South of the railway line connecting Limehouse and Bromley by Bow
- West of River Lea
- East of Burdett Road and the River Thames
- North of South Dock Entrance

To find out the catchment area for your home address, please view the maps or visit the website: [www.towerhamlets.gov.uk/equalchance](http://www.towerhamlets.gov.uk/equalchance)

	Academy with Nursery
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	Community Primary Schools
	Community Primary Schools with Nursery
	Nursery Schools
	Voluntary Aided Primary Schools
	Borough Boundary

## Schools in the catchment area

### Community schools:

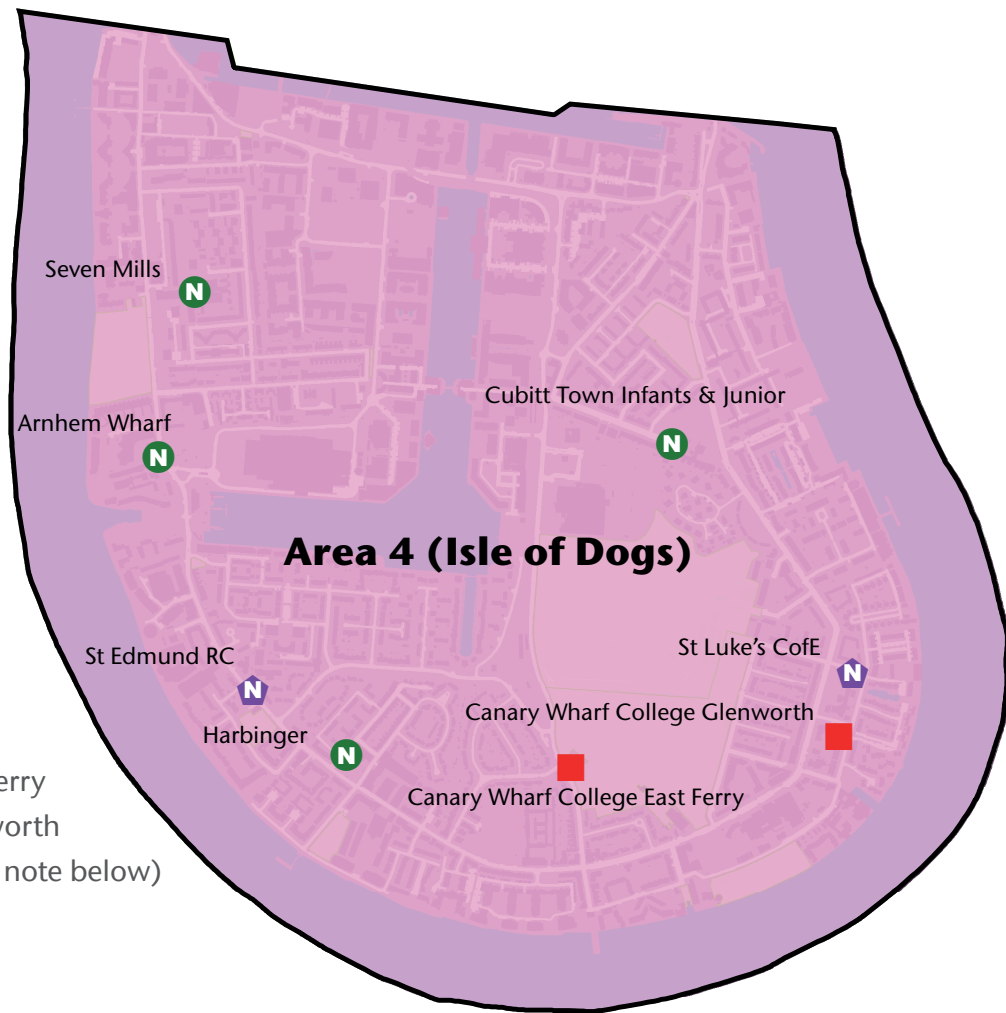
- 2** Arnhem Wharf
- 19** Cubitt Town Infants & Junior
- 28** Harbinger
- 49** Seven Mills

### Voluntary primary schools:

- 56** St Edmund's RC
- 59** St Luke's CE

### Academy/free schools:

- 10** Canary Wharf College East Ferry
- 11** Canary Wharf College Glenworth
- NB** Canary Wharf College 3 (see note below)



### Area covered:

- South of South Dock Entrance
- North of River Thames

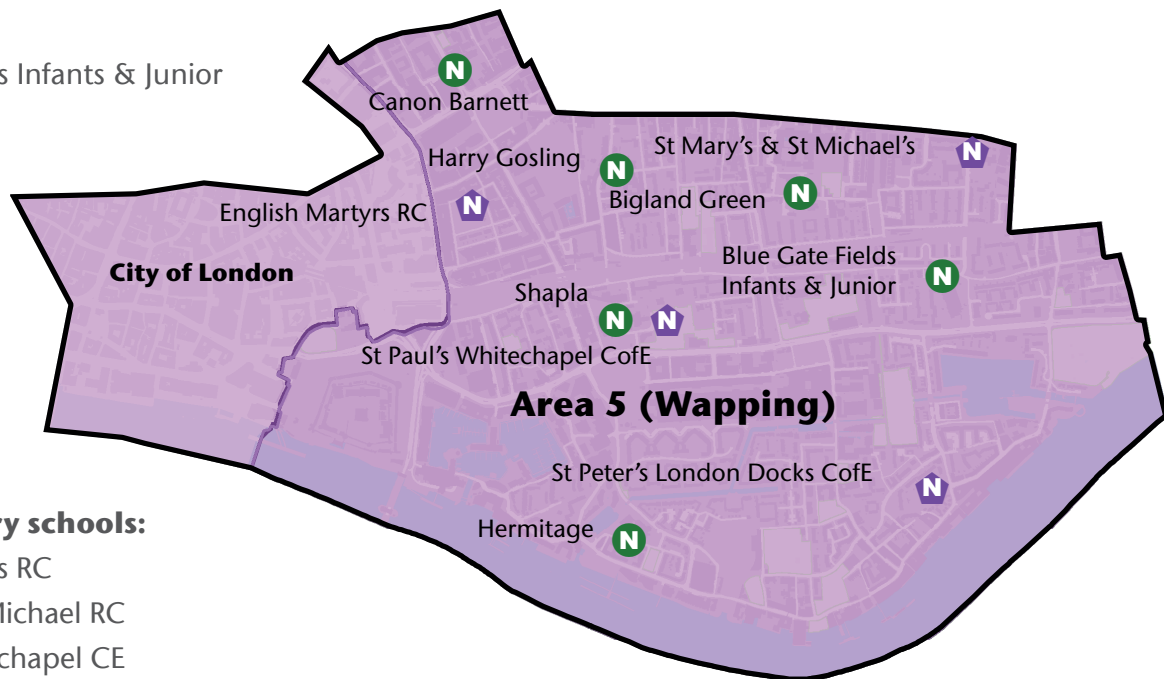
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	Academy with Nursery
	Free/Academy/Foundation Trust Schools
	Community Primary Schools
	Community Primary Schools with Nursery
	Nursery Schools
	Voluntary Aided Primary Schools
	Borough Boundary

## Schools in the catchment area

### Community schools:

- 5** Bigland Green
- 6** Blue Gate Fields Infants & Junior
- 12** Canon Barnett
- 29** Harry Gosling
- 31** Hermitage
- 50** Shapla



### Voluntary primary schools:

- 23** English Martyrs RC
- 60** St Mary & St Michael RC
- 64** St Paul's Whitechapel CE
- 65** St Peter's (London Docks) CE

## Area covered:

### Tower Hamlets

- South of Wentworth Street (up to Osborn Street)
- South of Commercial Road (from Whitechurch Lane to Lukin Street)
- South of Poonah Street
- West of Lukin Street, Devonport Street and Brodlove Lane
- North of River Thames
- East of Trinity Square, Mansell Street and Middlesex Street

### City of London

- South of Cornhill, Leadenhall Street, Aldgate High Street
- South of Harrow Place (from White Kennet Street)
- West of Middlesex Street, Mansell Street and Trinity Square
- North of River Thames
- East of King Williams Street

	Academy with Nursery
	Free/Academy/Foundation Trust Schools
	Community Primary Schools
	Community Primary Schools with Nursery
	Nursery Schools
	Voluntary Aided Primary Schools
	Borough Boundary



# Schools in the catchment area








## Community schools:

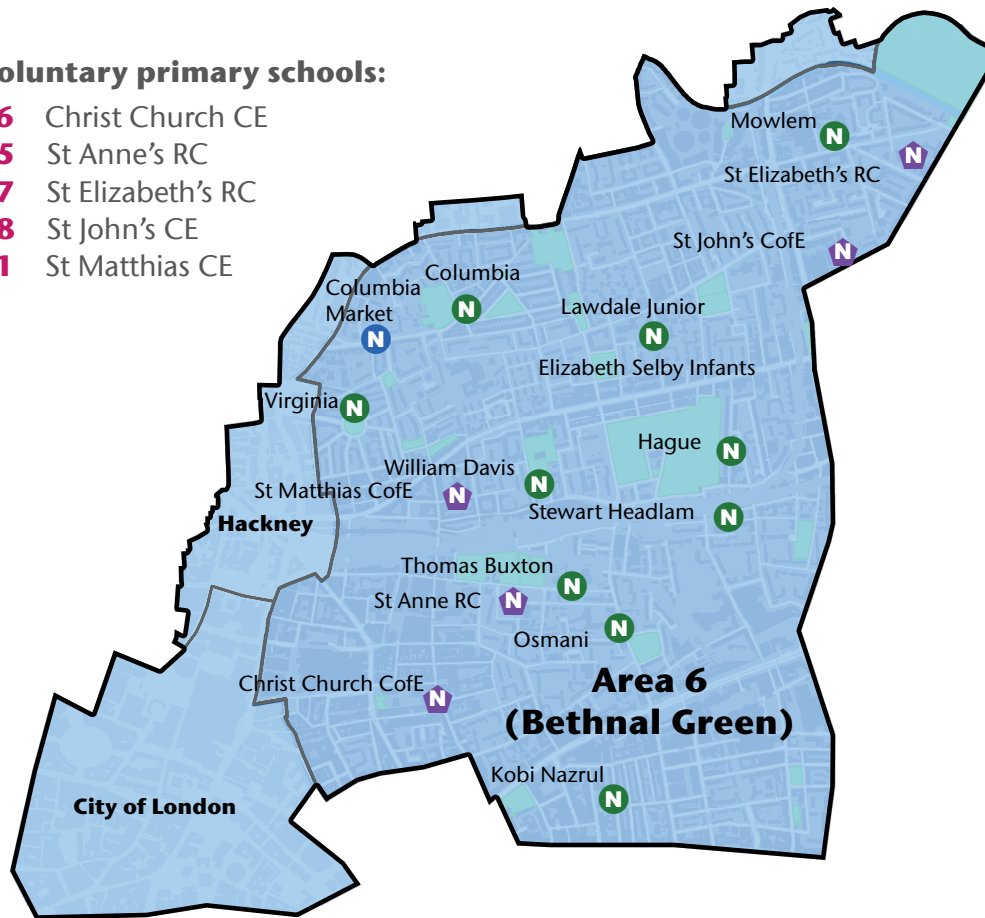
- 17** Columbia Market Nursery
- 18** Columbia
- 22** Elizabeth Selby Infant\*
- 22** Lawdale Junior\*
- 26** Hague
- 33** Kobi Nazrul
- 40** Mowlem
- 45** Osmani
- 69** Stewart Headlam
- 71** Thomas Buxton
- 72** Virginia
- 74** William Davis

\*Linked infant and junior schools

## Voluntary primary schools:

- 16** Christ Church CE
- 55** St Anne's RC
- 57** St Elizabeth's RC
- 58** St John's CE
- 61** St Matthias CE

	Academy with Nursery
	Free/Academy/Foundation Trust Schools
	Community Primary Schools
	Community Primary Schools with Nursery
	Nursery Schools
	Voluntary Aided Primary Schools
	Borough Boundary



## Area covered:

### Tower Hamlets

- South of Hackney Road (from Shoreditch High Street to Goldsmiths Row), South of Teale Street Pritchard's Road and Regent's Canal
- West of Approach Road and Old Ford Road
- West of Cambridge Heath Road and Sidney Street
- North of Commercial Road (from Sidney Street to Whitechurch Lane)
- North of Wentworth Street (from Osborn Street to Middlesex Street)
- East of Middlesex Street, Norton Folgate and Boundary Street

### Hackney

- South of Ash Grove and Earlston Grove
- East of Fremont Street
- West and South of Christchurch Square
- North of Regent's Canal (up to Ash Grove)
- South of Dunloe Street (from Dawson Street to Columbia Road)
- West of Columbia Road
- North of Hackney Road
- East of Weymouth Terrace (from Hackney Road to 14 Dunloe Court)
- South of Cremer Street
- West of Hackney Road, Boundary Street and Shoreditch High Street
- North of Worship Street East of Scrutton Street, Christina Street, Gatesborough Street, Great Eastern Street and Curtain Road
- East of Shoreditch High Street (from Rivington Street to Waterson Street) and Nazrul Street City of London
- South of South Place, Sun Street, Appold Street and Worship Street
- West of Norton Folgate and Bishopsgate
- North of Cornhill
- East of Prince's Street and Moorgate

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# TOWER HAMLETS CHILDREN'S SERVICES

## Proposed Admissions Criteria and Arrangements for Community Primary Schools

2018/19



**Version:** 1.0  
**Date issued:** October 2016  
**Prepared by:** Pupil Services  
Children's Services  
Directorate



## 1. Foreword

- 1.1 Tower Hamlets Local Authority seeks to operate an admissions system that provides equal and fair opportunities to all applicants. This includes having due regard to children living in areas where there are limited options in applying for a local school place.
- 1.2 The Local Authority's community school admissions policy has been determined following a public consultation and approval by the Council's Cabinet of elected members. It is reviewed annually by the School Admission Forum, with representation from all key stakeholders including parents, headteachers, school governors, diocesan bodies and community organisations.

## 2. Oversubscription Criteria

- 2.1 If a community school receives more applications than places available, children with a statement of special educational needs or Education, Health and Care Plan, which names the school applied to, will be placed before all other applicants.
- 2.2 The remaining places will be filled in the following priority order:
- 1) Children looked after by the local authority including adopted children who were previously looked after and children who leave care under a special guardianship or residence order;
  - 2) Children for whom it is deemed there is strong medical or social reason to attend the school applied to (**See Note 1**);
  - 3) Children living within the catchment area who have a sibling attending the school (including the school of a separate infants and junior schools) and who will continue to do so on the date of admission (**See Note 2**);
  - 4) Children who live within the catchment area of the school and for whom the school applied for is their nearest community school within the catchment area;
  - 5) Other children from within the catchment area of the school;
  - 6) Children living outside of the catchment area of the school applied to.
- 2.3 In the event of oversubscription within categories 3, 4, 5, and 6 above, priority will be given to children who live closest to the school by the shortest walking distance. A digitised ordnance survey map is used to measure the distance from the home address to the school's designated official entrance.
- 2.4 **Note 1:** This can include the parents', carers' or other family members' medical conditions and the family's social needs. Parents must complete the relevant section on the application form and attach medical and/or social reports from a suitable professional (e.g. a doctor or social worker) to support the application.
- Note 2:** Includes the sibling of a child who does not live within the school's catchment area, but who was admitted before the start of the 2015/16 school year. For this purpose "sibling" means a whole, half or step-brother or step-sister resident at the same address.

### 3. Catchment Area

- 3.1 The school catchment area is the defined area in which a school is located. It is generally bounded by major roads and/or railway/canal. The catchment area for each Tower Hamlets Community school is set by the Local Authority and is designed to ensure that each address in the borough falls into the catchment area of a local school. Details of the community schools within the catchment area for a particular address can be viewed on the Local Authority's website: <http://www.towerhamlets.gov.uk/equalchance>.

### 4. Age of Admission

- 4.1 Children born on and between 1 September 2013 and 31 August 2014 would normally start primary school in Reception in the school year beginning in September 2018. All Tower Hamlets infant and primary schools provide full-time education for children offered a place in the Reception Year from the September following their fourth birthday.
- 4.2 Parents can request that the date their child is admitted to school is deferred until later in the school year or until the child reaches compulsory school age during the school year. A child's attendance at school does not become compulsory until the start of the term following their fifth birthday. Where entry is deferred, the school will hold the place for that child and not offer it to another child. The parent would not however be able to defer entry beyond the beginning of the term after the child's fifth birthday, nor beyond the start of the summer term in the academic year for which the original application was accepted.
- 4.3 Where parents choose to defer entry, a school may reasonably expect that the child would start at the beginning of a new school term/half term. Where a parent of a 'summer-born' child (15 April - 31 August) wishes their child to start school in the autumn term following their fifth birthday, they will need to re-apply for a place at the correct time.
- 4.4 It is the view of the Local Authority that children should start primary school with their normal age group. However, a parent may seek admission for their child outside the normal group; for example, if the child is gifted and talented or has been born prematurely. If a parent wishes to request for their child to be admitted outside of the normal age group, they should include a letter with their reception application and also provide a report from an appropriate education or health professional.

### 5. Nursery Provision

- 5.1 Some schools have a nursery class or deliver pre-school nursery education. The admission arrangements set out in this document do not apply to applications for the school's nursery. Parents of children who are admitted to a nursery provision at a school must apply in the normal way for a place at the school, if they want their child to transfer to the reception class. Attendance at the nursery or co-located children's centre will not guarantee admission to the school.

### 6. Applying for a Place

- 6.1 How to apply for a primary school place is set out in the Local Authority's school admissions booklet, 'Starting School in Tower Hamlets'. Applications are then co-ordinated for all the schools in the Tower Hamlets area in accordance with the Authority's published scheme. The scheme can be viewed on the following webpage: [http://www.towerhamlets.gov.uk/lgs/1-50/17\\_schools/school\\_admissions.aspx](http://www.towerhamlets.gov.uk/lgs/1-50/17_schools/school_admissions.aspx)
- 6.2 The closing date for applications is **15 January 2018** and the date on which families are sent notification of the outcome is **16 April 2018**.

## 7. Late Applications

- 7.1 Applications received after the 15 January 2018 closing date will be treated as late applications unless there is evidence to show that the application or amendment could not reasonably have been made on time. A new preference or change in the order of preferences will not be accepted after the closing date unless the circumstances are deemed to be exceptional. Late applications will be given a lower priority and will be dealt with after all on time applications in the first round of offers on 16 April 2018. Where a school is oversubscribed late applications will be refused and placed on the waiting list in accordance with the admission criteria.
- 7.2 Where the Local Authority has determined there are exceptional circumstances for the late submission of an application it will be treated as 'on time' and, where possible, considered alongside existing applications.

## 8. Twins and Multiple Births

- 8.1 For applications made in the normal admission round, if the last child to be offered a place is a twin and their sibling cannot be offered initially, the Local Authority will ensure both twins are offered a place. In the case of triplets or other multiple births, if the majority of children can be offered a place initially, the Local Authority will offer places to the remaining children. For example, if two triplets can be offered a place, the remaining child will also receive an offer of a place.

## 9. Waiting List

- 9.1 The Local Authority's Pupil Services Team will hold waiting lists for all oversubscribed community schools until the end of the autumn term and continue to allocate places from these lists if spaces become available. Applicants will be ranked on these waiting lists in priority order, according to the school's admission criteria. The Local Authority will not maintain waiting lists beyond the end of the first term, but parents will have the opportunity to register their continued interest in a place.

## 10. Infant to Junior Applications

- 10.1 Parents of children in Year 2 of an infant school have to make an application to transfer to the partner junior school. A child is guaranteed a place at the partner junior school provided an application for that place is made by the closing date and the child is still in attendance at the school at the time applications are determined. For parents who wish their child only to transfer to the partner junior school the application simply involves completing and returning a form provided by the Local Authority. Parents who wish to apply for a Year 3 place at schools other than the partner junior school will need to complete the Local Authority's In-Year school admission application form.

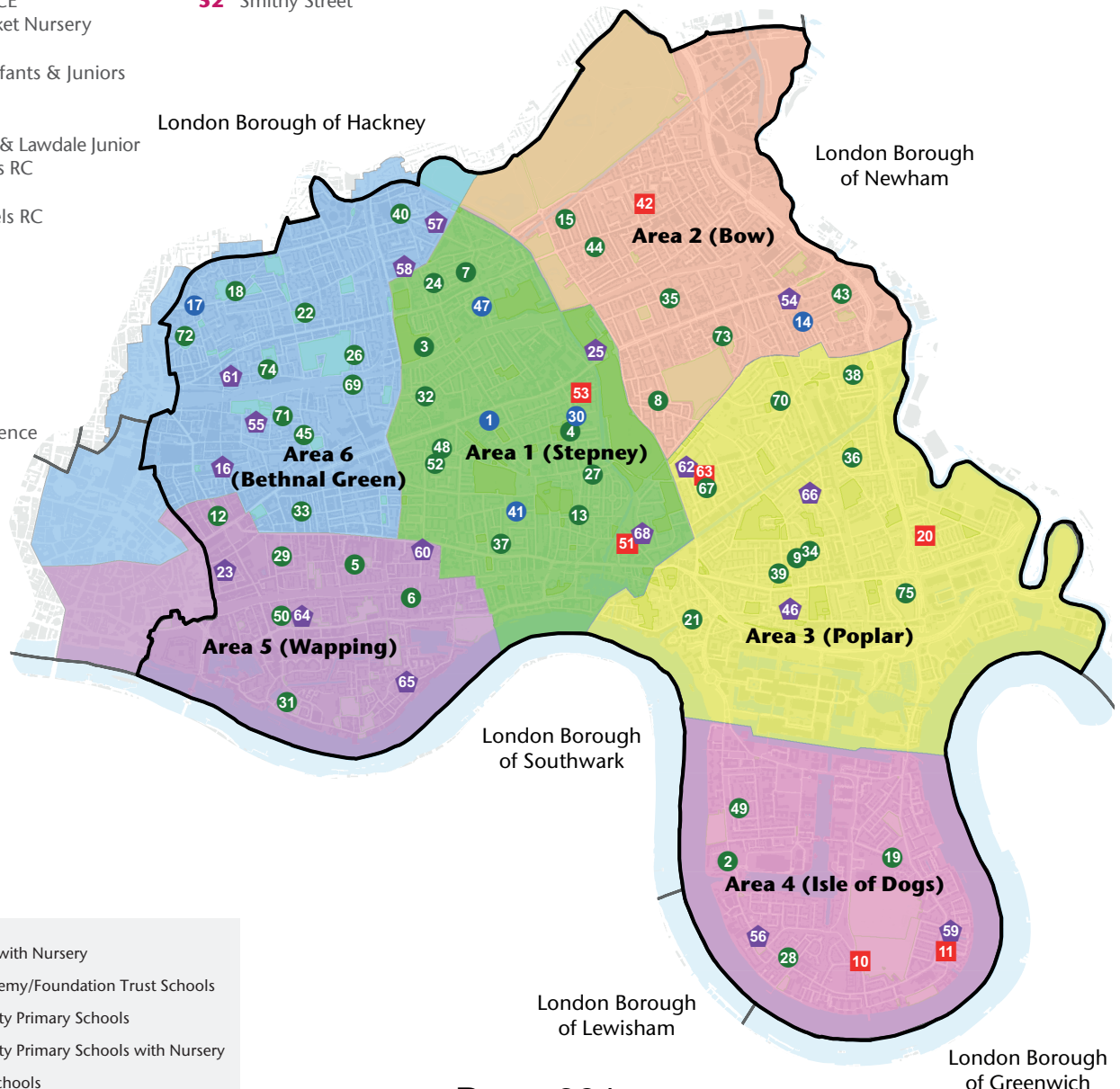
- 1 Alice Model Nursery
- 2 Arnhem Wharf
- 3 Bangabandhu
- 4 Ben Jonson
- 5 Bigland Green
- 6 Blue Gate Fields Infants & Junior
- 7 Bonner (Bethnal Green)
- 8 Bonner (Mile End)
- 9 Bygrove
- 10 Canary Wharf College East Ferry
- 11 Canary Wharf College Glenworth
- 12 Canon Barnett
- 13 Cayley
- 14 Children's House
- 15 Chisenhale
- 16 Christ Church CE
- 17 Columbia Market Nursery
- 18 Columbia
- 19 Cubitt Town Infants & Juniors
- 20 Culloden
- 21 Cyril Jackson
- 22 Elizabeth Selby & Lawdale Junior
- 23 English Martyrs RC
- 24 Globe
- 25 Guardian Angels RC
- 26 Hague
- 27 Halley
- 28 Harbinger
- 29 Harry Gosling
- 30 Harry Roberts
- 31 Hermitage
- 32 John Scurr
- 33 Kobi Nazrul
- 34 Lansbury Lawrence
- 35 Malmesbury
- 36 Manorfield

- 37 Marion Richardson
- 38 Marnar
- 39 Mayflower
- 40 Mowlem
- 41 Old Church
- 42 Old Ford
- 43 Old Palace
- 44 Olga
- 45 Osmani
- 46 Our Lady & St Joseph
- 47 Rachel Keeling
- 48 Redlands
- 49 Seven Mills
- 50 Shapla
- 51 Sir William Burrough
- 52 Smithy Street

- 53 Solebay Primary School\*
- 54 St Agnes RC
- 55 St Anne's RC
- 56 St Edmund's RC
- 57 St Elizabeth's RC
- 58 St John's CE
- 59 St Luke's CE
- 60 St Mary & St Michael RC
- 61 St Matthias CE
- 62 St Paul's With St Luke's CE
- 63 St Paul's Way Foundation
- 64 St Paul's Whitechapel CE
- 65 St Peter's (London Docks) CE

- 66 St Saviours CE
- 67 Stebon
- 68 Stepney Greencoat CE
- 69 Stewart Headlam
- 70 The Clara Grant
- 71 Thomas Buxton
- 72 Virginia
- 73 Wellington
- 74 William Davis
- 75 Woolmore

\* Since Sept 1, known as Solebay Primary" (formerly CET)



	Academy with Nursery
	Free/Academy/Foundation Trust Schools
	Community Primary Schools
	Community Primary Schools with Nursery
	Nursery Schools
	Voluntary Aided Primary Schools
	Borough Boundary

To find out the catchment area for your home address, please view the maps or visit the website:  
[www.towerhamlets.gov.uk/equalchance](http://www.towerhamlets.gov.uk/equalchance)

# Schools in the catchment area

## Community schools:

- 1** Alice Model Nursery
- 3** Bangabandhu
- 4** Ben Jonson
- 7** Bonner (Bethnal Green)
- 13** Cayley
- 24** Globe
- 27** Halley
- 30** Harry Roberts Nursery
- 32** John Scurr
- 37** Marion Richardson
- 41** Old Church Nursery
- 47** Rachel Keeling Nursery
- 48** Redlands
- 52** Smithy Street

## Voluntary primary schools:

- 25** Guardian Angels RC
- 68** Stepney Greencoat CE

## Academy/free schools:

- 51** Sir William Burrough
- 53** Solebay - a Paradigm Academy (uses same admissions policy as community schools)

## Area covered:

- South of Approach Road and Old Ford Road
- West of Regents Canal (up to the Railway Bridge on Grove Road)
- West of Grove Road and Burdett Road
- North of Limehouse Cut from Burdett Road to River Thames
- North of River Thames
- East of Brodlove Lane and Devonport Street
- East of Lukin Street
- North of Commercial Road (from Lukin Street to Sidney Street)
- East of Sidney Street and Cambridge Heath Road



	Academy with Nursery
	Free/Academy/Foundation Trust Schools
	Community Primary Schools
	Community Primary Schools with Nursery
	Nursery Schools
	Voluntary Aided Primary Schools
	Borough Boundary



## Schools in the catchment area

### Community schools:

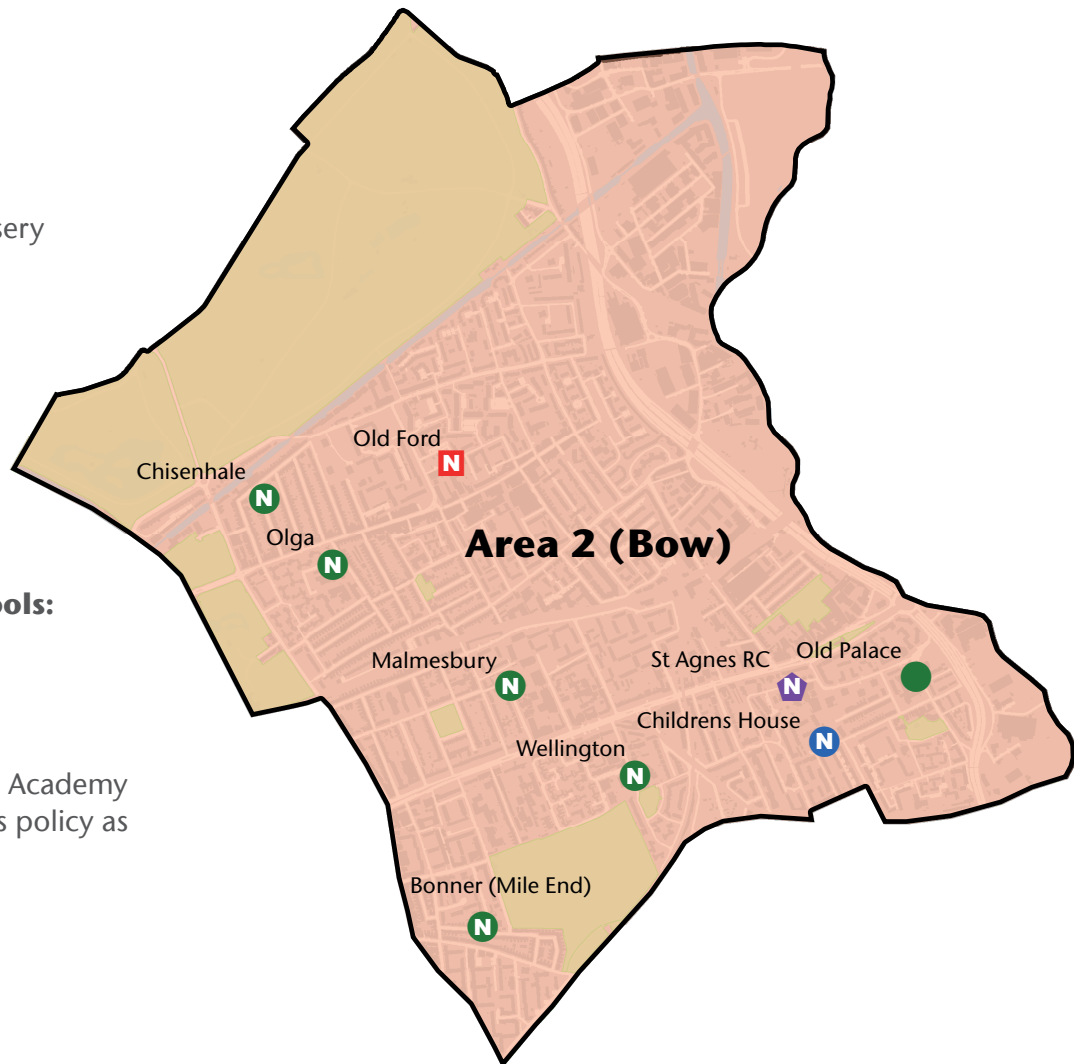
- 8** Bonner (Mile End)
- 14** Children's House Nursery
- 15** Chisenhale
- 35** Malmesbury
- 43** Old Palace
- 44** Olga
- 73** Wellington

### Voluntary primary schools:

- 54** St Agnes RC

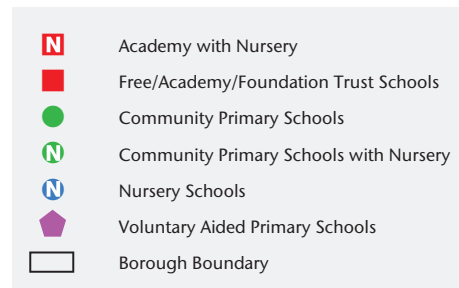
### Academy/free schools:

- 42** Old Ford - a Paradigm Academy (uses same admissions policy as community schools)



## Area covered:

- South of Approach Road and A106 Victoria Park Road
- South of Cadogan Terrace
- West of River Lea
- East of Regents Canal (from Railway Bridge on Grover Road) and Burdett Road
- North of the railway line connecting Limehouse and Bromley by Bow

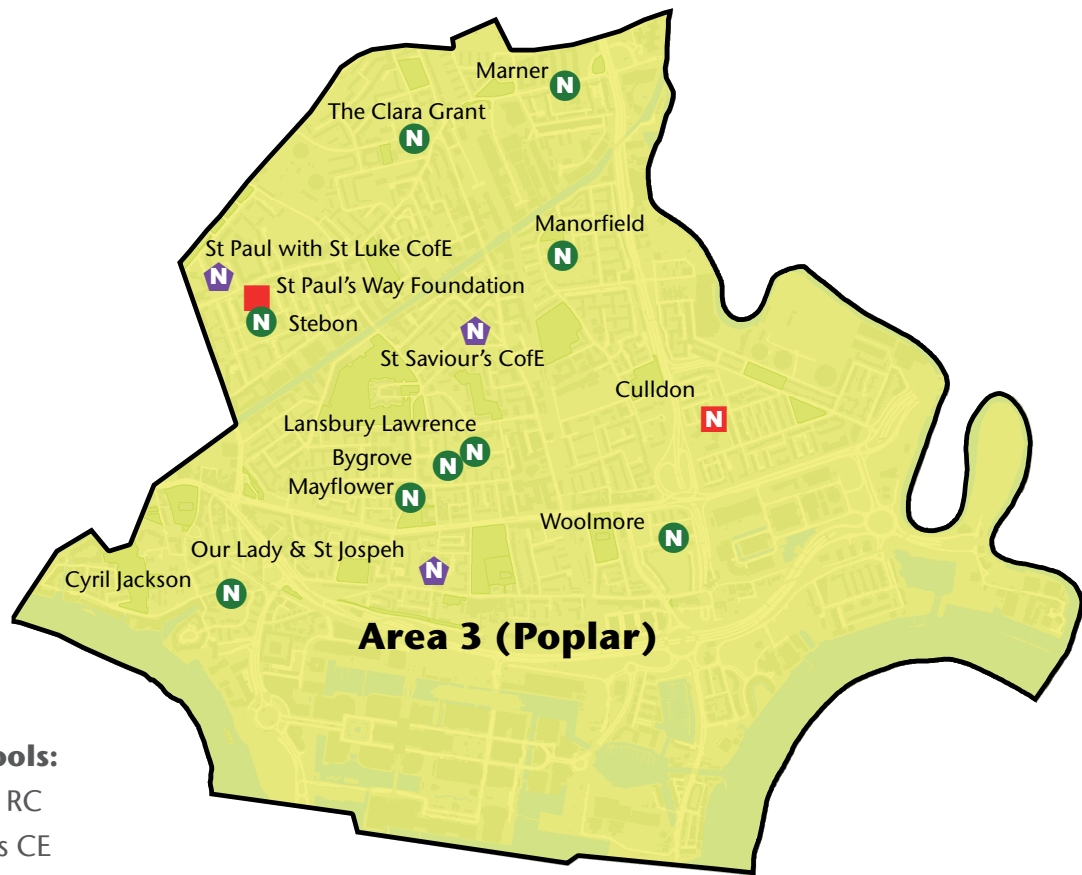


To find out the catchment area for your home address, please view the maps or visit the website: [www.towerhamlets.gov.uk/equalchance](http://www.towerhamlets.gov.uk/equalchance)

## Schools in the catchment area

### Community schools:

- 9** Bygrove
- 21** Cyril Jackson
- 34** Lansbury Lawrence
- 36** Manorfield
- 38** Marner
- 39** Mayflower
- 67** Stebon
- 70** The Clara Grant
- 75** Woolmore



### Voluntary primary schools:

- 46** Our Lady & St Joseph RC
- 62** St Paul's with St Luke's CE
- 66** St Saviours CE

### Academy/foundation trust schools:

- 20** Culloden - a Paradigm Academy  
(uses same admissions policy as community schools)
- 63** St Paul's Way Foundation

### Area covered:

- South of the railway line connecting Limehouse and Bromley by Bow
- West of River Lea
- East of Burdett Road and the River Thames
- North of South Dock Entrance

To find out the catchment area for your home address, please view the maps or visit the website: [www.towerhamlets.gov.uk/equalchance](http://www.towerhamlets.gov.uk/equalchance)

	Academy with Nursery
	Free/Academy/Foundation Trust Schools
	Community Primary Schools
	Community Primary Schools with Nursery
	Nursery Schools
	Voluntary Aided Primary Schools
	Borough Boundary

## Schools in the catchment area

### Community schools:

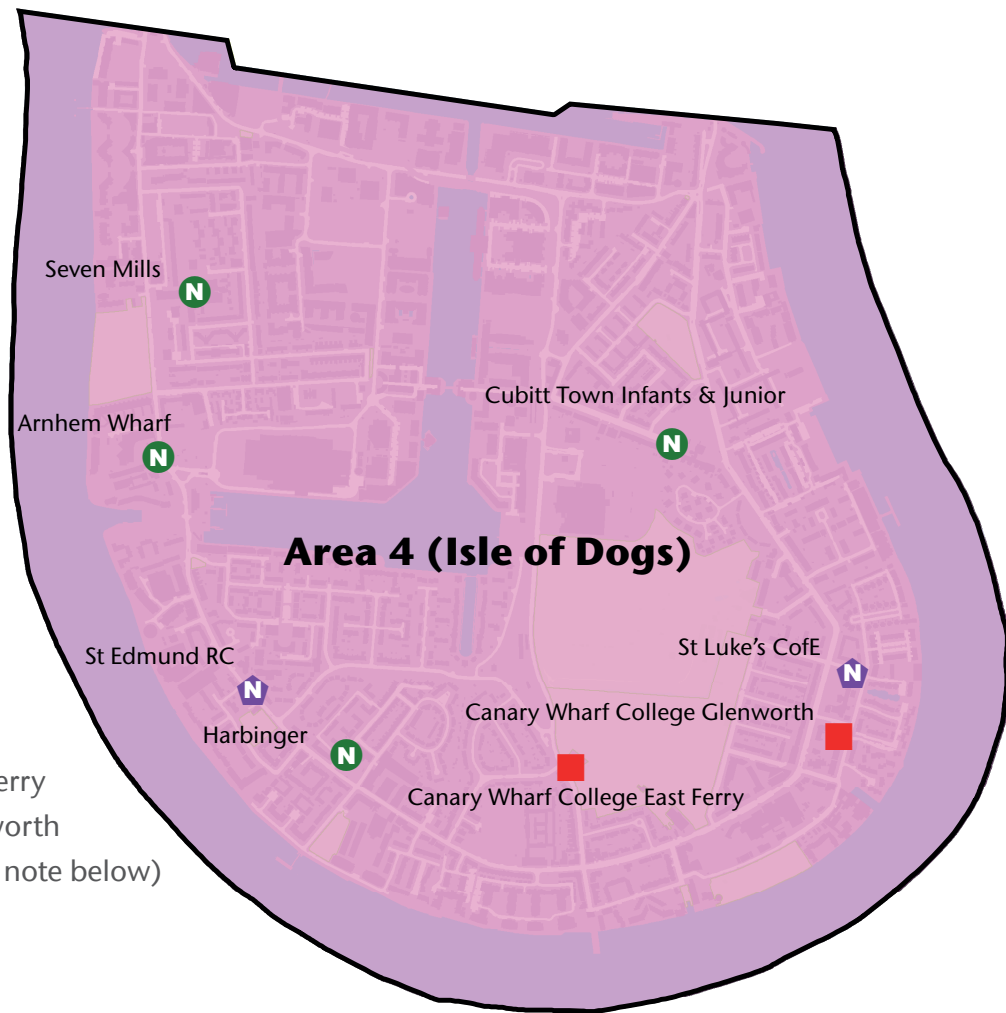
- 2** Arnhem Wharf
- 19** Cubitt Town Infants & Junior
- 28** Harbinger
- 49** Seven Mills

### Voluntary primary schools:

- 56** St Edmund's RC
- 59** St Luke's CE

### Academy/free schools:

- 10** Canary Wharf College East Ferry
- 11** Canary Wharf College Glenworth
- NB** Canary Wharf College 3 (see note below)



### Area covered:

- South of South Dock Entrance
- North of River Thames

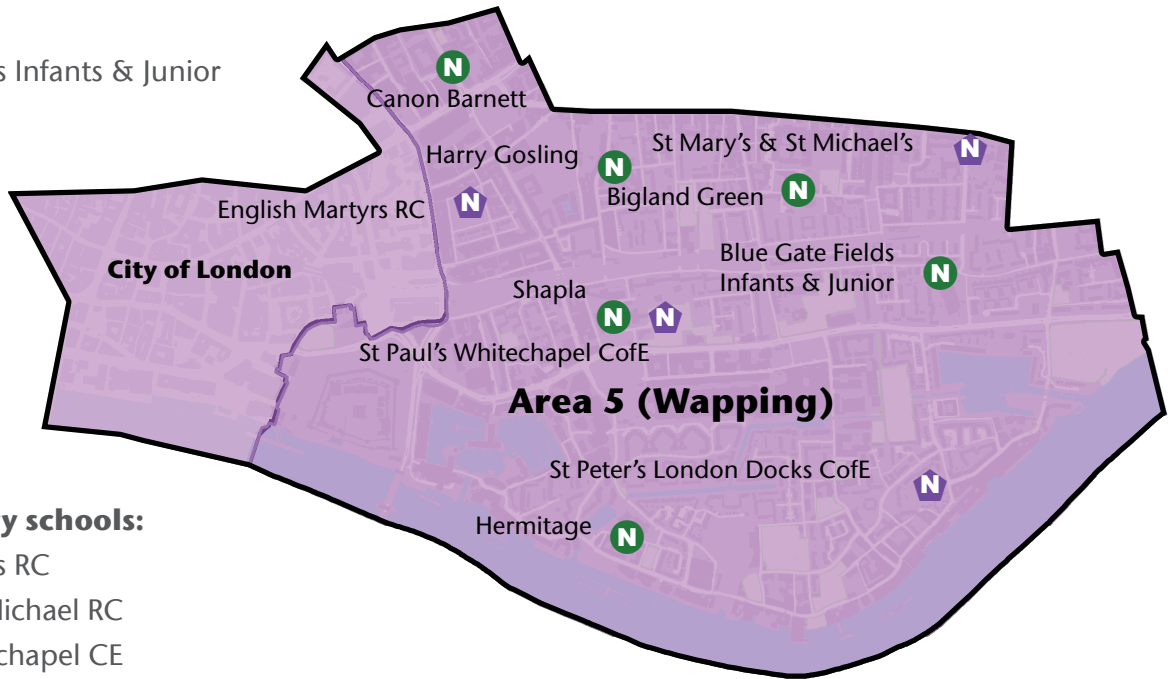
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	Academy with Nursery
	Free/Academy/Foundation Trust Schools
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	Community Primary Schools with Nursery
	Nursery Schools
	Voluntary Aided Primary Schools
	Borough Boundary

## Schools in the catchment area

### Community schools:

- 5** Bigland Green
- 6** Blue Gate Fields Infants & Junior
- 12** Canon Barnett
- 29** Harry Gosling
- 31** Hermitage
- 50** Shapla



### Voluntary primary schools:

- 23** English Martyrs RC
- 60** St Mary & St Michael RC
- 64** St Paul's Whitechapel CE
- 65** St Peter's (London Docks) CE

## Area covered:

### Tower Hamlets

- South of Wentworth Street (up to Osborn Street)
- South of Commercial Road (from Whitechurch Lane to Lukin Street)
- South of Poonah Street
- West of Lukin Street, Devonport Street and Brodlove Lane
- North of River Thames
- East of Trinity Square, Mansell Street and Middlesex Street

### City of London

- South of Cornhill, Leadenhall Street, Aldgate High Street
- South of Harrow Place (from White Kennet Street)
- West of Middlesex Street, Mansell Street and Trinity Square
- North of River Thames
- East of King Williams Street

	Academy with Nursery
	Free/Academy/Foundation Trust Schools
	Community Primary Schools
	Community Primary Schools with Nursery
	Nursery Schools
	Voluntary Aided Primary Schools
	Borough Boundary

# Schools in the catchment area

## Community schools:

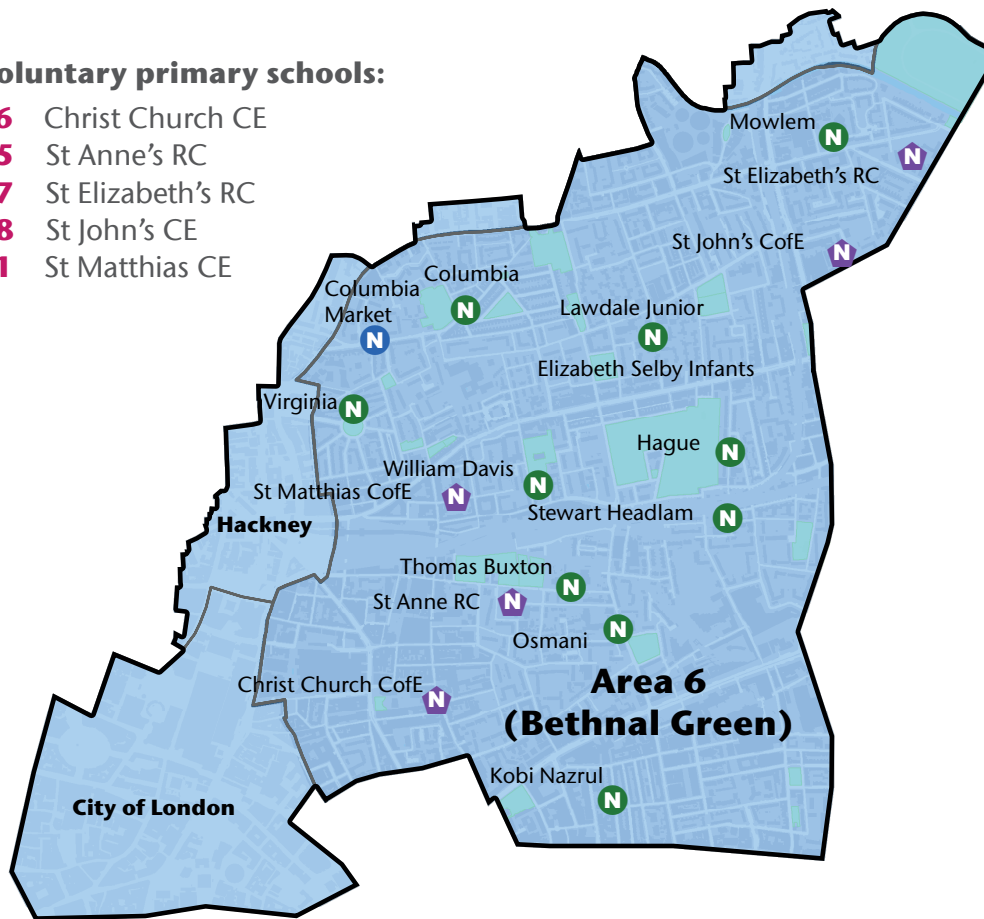
- 17** Columbia Market Nursery
- 18** Columbia
- 22** Elizabeth Selby Infant\*
- 22** Lawdale Junior\*
- 26** Hague
- 33** Kobi Nazrul
- 40** Mowlem
- 45** Osmani
- 69** Stewart Headlam
- 71** Thomas Buxton
- 72** Virginia
- 74** William Davis

\*Linked infant and junior schools

## Voluntary primary schools:

- 16** Christ Church CE
- 55** St Anne's RC
- 57** St Elizabeth's RC
- 58** St John's CE
- 61** St Matthias CE

	Academy with Nursery
	Free/Academy/Foundation Trust Schools
	Community Primary Schools
	Community Primary Schools with Nursery
	Nursery Schools
	Voluntary Aided Primary Schools
	Borough Boundary



## Area covered:

### Tower Hamlets

- South of Hackney Road (from Shoreditch High Street to Goldsmiths Row), South of Teale Street Pritchard's Road and Regent's Canal
- West of Approach Road and Old Ford Road
- West of Cambridge Heath Road and Sidney Street
- North of Commercial Road (from Sidney Street to Whitechurch Lane)
- North of Wentworth Street (from Osborn Street to Middlesex Street)
- East of Middlesex Street, Norton Folgate and Boundary Street

### Hackney

- South of Ash Grove and Earlston Grove
- East of Fremont Street
- West and South of Christchurch Square
- North of Regent's Canal (up to Ash Grove)
- South of Dunloe Street (from Dawson Street to Columbia Road)
- West of Columbia Road
- North of Hackney Road
- East of Weymouth Terrace (from Hackney Road to 14 Dunloe Court)
- South of Cremer Street
- West of Hackney Road, Boundary Street and Shoreditch High Street
- North of Worship Street East of Scrutton Street, Christina Street, Gatesborough Street, Great Eastern Street and Curtain Road
- East of Shoreditch High Street (from Rivington Street to Waterson Street) and Nazrul Street City of London
- South of South Place, Sun Street, Appold Street and Worship Street
- West of Norton Folgate and Bishopsgate
- North of Cornhill
- East of Prince's Street and Moorgate

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# TOWER HAMLETS CHILDREN'S SERVICES

## Admissions Arrangements for Community Secondary Schools (Central Foundation Girls School, George Greens School and Green Spring Academy)

2018/19



**Version:** 1.0  
**Date issued:** October 2016  
**Prepared by:** Pupil Services  
Children's Services  
Directorate



## 1. Foreword

- 1.1 Tower Hamlets Local Authority seeks to operate an admissions system that provides equal and fair opportunities to all applicants. This includes having due regard to children living in areas where there are limited options in applying for a local school place.
- 1.2 The Local Authority's community school admissions policy has been determined following an extensive public consultation and approval by the Council's Cabinet of elected members. It is reviewed annually by the School Admission Forum, with representation from all key stakeholders including parents, headteachers, school governors, diocesan bodies and community organisations.

## 2. Oversubscription Criteria

- 2.1 If a community school receives more applications than places available, children with a statement of special educational needs or Education, Health and Care Plan, which names the school applied to, will be placed before all other applicants. The place will be provided in the appropriate band. Sometimes there are particular reasons why the Local Authority is unable to do so. (See note 1).
- 2.1 A quarter of the total places available at these schools are then allocated to each of the four bands. If any of these are oversubscribed in any band, the admission criteria below will be used (in descending order of priority) to allocate places:
  - 1) Children looked after by the local authority, previously looked after children who have left care under a special arrangements (residence) or special guardianship order, or those adopted from local authority care (See note 2).
  - 2) Pupils who have a strong medical or social reason to attend the school applied to. This can include the parents', carers' or other family members' medical conditions and the family's social needs. Parents must complete the relevant section on the application form and attach medical and/or social reports from a suitable professional (e.g. a doctor or social worker) to support the application. (See note 3).
  - 3) Pupils living nearest the school who are the first born of their sex in the case of a single sex school, or the eldest child in the case of a mixed school. The number of children admitted under this category will reflect 25% of the intake of the school in each band.
  - 4) Pupils who have a brother or sister at the school at the time of admission. (See note 4).
  - 5) Pupils who live nearest to the school by the shortest walking route. (See note 5).
- 2.2 In categories 3, 4 and 5 above, a higher priority will be given to pupils who live in the priority geographical areas of south Wapping or west Bethnal Green applying to one of the designated schools. (See 'Priority Areas' below).
- 2.3 **Note 1:** Parents of children with a statement of special educational need or education, health and care plan should note that Tower Hamlets LA seeks to ensure that pupils with statements do not, at secondary transfer time, become unduly concentrated in a few schools. Experience indicates that this can compromise the efficient education of children and the efficient use of resources. This means that if any particular school receives a large number of applications for pupils with statements, some of these may be refused. All applications for pupils with statements or education, health and care plans will be considered by the Special Educational Needs Panel.  
**Note 2:** Confirmation of a child's looked after status will be required.



**Note 3:** Applications under this category are considered by the Primary to Secondary Transfer Committee, comprising a Headteacher, a senior member of the Attendance and Welfare Service and a medical professional. The Committee will decide whether the application should be given priority under this category.

**Note 4:** Sibling refers to brother or sister, half brother or sister, adopted brother or sister, step brother or sister, or the child of the parent/carer's partner, and in every case, the child should be living in the same family unit at the same address. The address used should be the one that the child usually lives at and attends school from.

**Note 5:** Home to school distances will be measured by the shortest walking route from the home address to the nearest available pupil entrance in constant use to the school, using a computerised digitised map.

### 3. Priority areas

- 3.1 The south Wapping priority area is the area south of Cable Street and Royal Mint Street, west of Butcher Row, north of the Thames and east of Mansell Street and Tower Bridge Approach. Children living in this area will have priority for admission to the designated schools, which are Mulberry and Stepney Green.
- 3.2 The west Bethnal Green priority area is the area south of Quaker Street, west of Brick Lane, north of Whitechapel High Street and east of Middlesex Street. Children living in this area will have priority for admission to the designated school, which is Swanlea.

### 4. Exceptional Medical or Social Reasons

- 4.1 Where there is a very strong medical or social reason for attending a particular school priority may be given for admission. Parents must complete the relevant section on the transfer form and attach medical and/or social reports signed by a doctor or social worker to the form. These reports must be received by the closing date on 31<sup>st</sup> October 2017. The application will be considered by the Primary / Secondary Transfer Committee.

### 5. Confirmation of Address

- 5.1 Parents may be required to provide acceptable independent proof of their child's address. They must make sure that the application form they complete is accurate and to contact Pupil Services or tell their child's headteacher if there are relevant changes after it is submitted. Places may be withdrawn if false information is entered on the application form. Parents who do not provide evidence of their child's address as requested, or provide conflicting or inconclusive information, may have the place withdrawn, even if it has already been accepted. When parents live separately, the address used should be the one that their child usually lives at and attends school from. If a child lives equally with both parents at different addresses, it is the parents' responsibility to make this clear on the application form. Parents may be asked to provide acceptable proof that this is the case.

### 6. Siblings in the same year group transferring

Where two or more siblings are in the same year group (e.g. twins), and it is the parent's wish that the siblings should attend the same school, if one sibling can be offered a place at a school, the other will automatically be offered so as not to separate them.

### 7. Applying for a Place

- 7.1 How to apply for a secondary school place is set out in the Local Authority's school admissions booklet, 'Ready for Secondary School in Tower Hamlets'. Applications are then co-ordinated for all the schools in the Tower Hamlets area in accordance with the Authority's published scheme. The scheme can be viewed on the following webpage: [http://www.towerhamlets.gov.uk/lgs/1-50/17\\_schools/school\\_admissions.aspx](http://www.towerhamlets.gov.uk/lgs/1-50/17_schools/school_admissions.aspx)

- 7.2 The closing date for applications is **31<sup>st</sup> October 2017** and the date on which families are sent notification of the outcome is **1<sup>st</sup> March 2018**.

## 8. Late applications

Applications received after the 31<sup>st</sup> October 2017 closing date will be treated as late applications unless there is evidence to show that the application or amendment could not reasonably have been made on time. A new preference or change in the order of preferences will not be accepted after the closing date unless the circumstances are deemed to be exceptional. Late applications will be given a lower priority and will be dealt with after all on time applications in the first round of offers on 1<sup>st</sup> March 2018. Where a school is oversubscribed late applications will be refused and placed on the waiting list in accordance with the admission criteria

## 9. Changing Preferences

Parents and carers may not change their preferences unless there is exceptional and genuine reasons for doing so, for example, change of address. Requests to change preferences must be made in writing giving the full reasons.

DRAFT

# Priority geographical areas for secondary transfer applications



## A South Wapping

Priority admission to Mulberry and Stepney Green schools is given to pupils in the following areas:

- i South of Cable Street and royal Mint Street
- ii west of Butcher row
- iii North of the River Thames
- iv East of Mansell Street

## B West Bethnal Green

Priority admission to Swanlea School is given to pupils in the following areas:

- i South of Quaker Street
- ii West of Brick Lane
- iii North of Whitechapel High Street
- iv East of Middlesex Street

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**TOWER HAMLETS CHILDREN'S SERVICES**  
**PROPOSED SCHEMES for CO-ORDINATION OF ADMISSIONS TO**  
**RECEPTION and YEAR 7 IN 2018/19**



**Version:** 1.0  
**Date issued:** October 2016  
**Prepared by:** Pupil Services  
Children's Services  
Directorate



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- Page 10: Proposed scheme for the co-ordination of admissions to Year 7 in September 2018
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- Page 19: Timetable for Year 7 Scheme (Schedule 3B)
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## DEFINITIONS USED IN TOWER HAMLETS SCHEMES

“the Application Year”	the academic year in which the parent makes an application, i.e. in relation to the academic year of entry, the academic year preceding it.
“the Board”	the Pan London Admissions Executive Board.
“the Business User Guide (BUG)”	the document issued annually to all LAs participating in the Pan-London Co-ordinated Scheme.
“the Common Application Form”	this is the form that parents must use to make their applications, set out in rank order.
“the Equal Preference System”	the model whereby all preferences listed by parents on the Common Application Form are considered under the over-subscription criteria for each school without reference to parental rankings. Where a pupil is offered a place at more than one school within an LA, the rankings are used to determine the single offer by selecting the one ranked highest of the places offered.
“the Highly Recommended Elements”	the elements of Pan London Scheme that are not mandatory but to which subscription is strongly recommended in order to maximise co-ordination and thereby simplify the application process as far as possible.
“the Home LA”	the LA (local authority) in which the applicant/parent is resident.
“the Address Verification Register”	the document containing the address verification policy of each participating LA.
“the Local Admission System (LAS)”	the IT module for administering admissions and for determining the highest offers within Tower Hamlets and between neighbouring authorities.
“the E-admissions Portal”	the common online application system used by the 33 London LAs and Surrey County Council.
“the Maintaining LA”	the LA which maintains a school to which an applicant has applied.

“the Mandatory Elements”	those elements of the Pan-London Scheme to which participating authorities must subscribe.
“the Notification Letter”	the agreed form of letter sent to applicants on the Prescribed Day, which communicates any determination granting or refusing admission to a primary school, which is attached as Schedule 2.
“the Prescribed Day”	the day on which outcome letters are posted to parents  Reception (Primary Schools): <b>16<sup>th</sup> April 2018</b> Year 7 (Secondary Schools): <b>1<sup>st</sup> March 2018</b>
“the Pan-London Register (PLR)”	the computer database that transmits application and offer data between each LA’s Local System.
“the Pan London Timetable”	the framework for making and processing applications attached as Schedule 3.
“the Participating LA”	any LA that has indicated in the ‘Memorandum of Agreement’ that they are willing to incorporate, at a minimum, the mandatory elements of the Pan London scheme presented here.
“the Qualifying Scheme”	the scheme which each LA is required to formulate in accordance with ‘The School Admissions (Admission Arrangements and Co-ordination of Admission Arrangements) Regulations 2012’, for co-ordinating arrangements for the admission of children to maintained primary and secondary schools and academies.



## Proposed Scheme for the Co-ordination of Admissions to Reception in 2018/19

### When children can start primary school in Tower Hamlets

All children of reception age (i.e. those born between 1<sup>st</sup> September 2013 and 31<sup>st</sup> August 2014) can start school in September 2018. However, parents can ask for their child's entry to be deferred until later in the school year. When a place is deferred the LA cannot offer it to another child. Parents will be advised of their right to defer in the 'Starting School in Tower Hamlets' booklet and in the letter notifying them of the school of which a place can be offered.

### ADMISSIONS NUMBERS

A list of admission numbers for each primary school is published in the LA's composite prospectus for school admissions.

### APPLICATIONS

1. All primary schools, nurseries and early years centres will advise Tower Hamlets LA of all children on roll that are eligible for admission in the following academic year. Tower Hamlets LA will forward details of Out of Borough residents to the home LA
2. Tower Hamlets residents will make their applications on the Tower Hamlets LA Common Application Form (CAF), which will be available from September 2017 and will be able to be submitted on-line. The form will include all the fields and information specified in Schedule 1. Applications to Out of Borough schools can also be made on this CAF.
3. Tower Hamlets LA will take reasonable steps to ensure that the parent(s) of a child living in Tower Hamlets due to start primary school in 2018/19 receives a copy of the 'Starting School in Tower Hamlets' booklet, including details of how to apply online. The booklet will also be available to parents who do not live in Tower Hamlets and will contain information on how non-Tower Hamlets residents access their home LA'S booklet and CAF.
4. Tower Hamlets residents will be able to express a preference for a maximum of six schools whether the schools are in Tower Hamlets or in another Local Authority.
5. The separate admission authorities within this LA will use supplementary information forms where there is not sufficient information on the CAF for consideration of the application against the published oversubscription criteria. This will normally only be in circumstances where schools require additional information relating to membership of a particular faith. The supplementary form will be available on the school's website and should be completed and returned to the school concerned. The LA will seek to ensure that supplementary forms only collect information that is required by the published oversubscription criteria, in accordance with paragraph 2.4 the School Admissions Code (Dec 2014).
6. Where a school in Tower Hamlets receives a supplementary information form, it will not be considered as a valid application unless the parent has also listed the school on their CAF, in accordance with the School Admissions Code. All Supplementary Forms will be made available on the Tower Hamlets website and details of Tower Hamlets School requiring a Supplementary Form will be stated in the 'Starting School in Tower Hamlets' booklet.

7. All preferences expressed on the CAF for maintained schools will be valid preferences. The order of preference given on the CAF will not be revealed before the offer date. If there is a preference to a non-Tower Hamlets school the order of preference for that school will be revealed to the Home LA. This is to ensure that only the highest ranked offer is made.
8. Applicants must return the CAF, which will be available and can be submitted on-line to this LA by **15<sup>th</sup> January 2018**.
9. Schools which receive the CAF (whether or not the family live in Tower Hamlets) must send these to Tower Hamlets LA by the closing date for applications – **15<sup>th</sup> January 2018**.
10. All applications made to non-Tower Hamlets Schools containing evidence of any Looked After children will be confirmed to the Home LA, by **2nd February 2018**.
11. All applicants in Tower Hamlets nurseries will have their address verified as set out in the Business User Guide. Pupil Services will notify the Home LA of any discrepancies of address for an applicant applying to one of their schools, by **16<sup>th</sup> February 2018**.
12. Pupil Services will advise the maintaining LA of the reason for any preference expressed for a school in its area of a child applying for a school that is born outside of the correct age cohort. All details and information to be forwarded by **2nd February 2018**.

## PROCESSING

13. Applicants' resident within Tower Hamlets must return the Common Application Form, which can be completed and submitted on-line, by **15<sup>th</sup> January 2018**.
14. Application data relating to all preferences for schools in other participating LAs, which have been expressed within the terms of this LA's scheme, will be up-loaded to the PLR by **5<sup>th</sup> February 2018**. Supplementary information provided with the Common Application Form will be sent to maintaining LAs by the same date.
15. Pupil Services shall, in consultation with the admission authorities within the Tower Hamlets borough and within the framework of the Pan-London timetable in Schedule 3, determine and publish its own timetable for the processing of preference data and the application of published oversubscription criteria.
16. Tower Hamlets LA will accept late applications and treat them as though they were received on time, only if they are late for a good reason. Examples of what will be considered as "good reason" includes: when a single parent has been very ill during the relevant period, or has been dealing with the death of a close relative; a family has just moved into the area. Other circumstances will be considered and each case decided on its own merits
17. If late applications that are being treated as having been received on time include preferences for schools in other LAs, Tower Hamlets LA will forward the details to the maintaining LAs via the PLR as they are received.

18. The latest date for the upload to the PLR of late applications which are being treated as having been received on-time is **12<sup>th</sup> February 2018**.
19. Where an applicant moves from one participating home LA to another after submitting an on-time application under the terms of the former home LA's scheme, the new home LA will accept the application as on-time up to **12<sup>th</sup> February 2018**, on the basis that an on-time application already exists within the Pan-London system.
20. Tower Hamlets will participate in the application data checking exercise scheduled between **13<sup>th</sup> and 19<sup>th</sup> February 2018** in the Pan-London timetable in 3A.
21. All preferences for schools within Tower Hamlets LA will be considered by the relevant admission authorities without reference to rank order in accordance with paragraph 1.9 of the School Admissions Code 2014. When the admission authorities within Tower Hamlets have provided a list of applicants in criteria order to this LA, this LA shall, for each applicant to its schools for whom more than one potential offer is available, use the highest ranked preference to decide which single potential offer to make. [This is the 'Equal Preference System'.]
22. Tower Hamlets LA will carry out all reasonable checks to ensure that pupil rankings are correctly held in its LAS before uploading data to the PLR.
23. Tower Hamlets LA will upload the highest potential offer available to an applicant for a school in this LA to the PLR by **15<sup>th</sup> March 2018**. The PLR will transmit the highest potential offer specified by the Maintaining LA to the Home LA.
24. The LAS of Tower Hamlets LA will eliminate, as a Home LA, all but the highest ranked offer where an applicant has more than one potential offer across maintaining LAs submitting information within deadline to the PLR. This will involve exchanges of preference outcomes between the LAS and the PLR (in accordance with the iterative timetable published in the Business User Guide) which will continue until notification that a steady state has been achieved or until **23rd March 2018** if this is sooner.
25. Tower Hamlets LA will not make any additional offer between the end of the iterative process and **16th April 2018** which may impact on an offer being made by another participating LA.
26. Notwithstanding paragraph 24, if an error is identified within the allocation of places at one of Tower Hamlets LA's schools, the LA will attempt to manually resolve the allocation to correct the error. Where this impacts on another LA (either as a home or maintaining LA) this LA will liaise with that LA to attempt to resolve the correct offer and any multiple offers which might occur. However, if another LA is unable to resolve a multiple offer, or if the impact is too far reaching, this LA will accept that the applicant(s) affected might receive a multiple offer.
27. Tower Hamlets LA will participate in the offer data checking exercise scheduled between **26<sup>th</sup> March and 9<sup>th</sup> April 2018** in the Pan-London timetable in 3A.
28. Tower Hamlets LA will send a file to the E-Admissions portal with outcomes for all resident applicants who have applied online no later than **11<sup>th</sup> April 2018**. (33 London LAs and Surrey only)

## OFFERS

29. On **16th April 2018** Tower Hamlets LA will send a letter notifying parents of the school place provisionally offered. The letter will advise the following:
  - The name of the school at which a place is provisionally offered.
  - The procedure and documentation required for the parent(s) to accept the offer by **4<sup>th</sup> May 2018**
  - If applicable, the reasons why the child is not being offered a place at any of the schools they nominated on the CAF.
30. Parents who do not obtain an offer at a preferred school may apply to schools that still have vacancies. Children who have not been offered a place at any school and late applicants will be offered a place at a school with places remaining.
31. Tower Hamlets LA shall use various forms of the notification letter set out in Schedule 2. Parents will be required to accept or decline the offer with the school at which the place is being offered.
32. Tower Hamlets LA will compile destination data of all its resident applicants by the end of the summer term 2017.

## POST OFFER

33. **Tower Hamlets** LA will request that resident applicants accept or decline the offer of a place by **4<sup>th</sup> May 2018**, or within two weeks of the date of any subsequent offer.
34. Where an applicant resident in Tower Hamlets LA accepts or declines a place at a school maintained by another LA by **4<sup>th</sup> May 2018**, Tower Hamlets LA will forward the information to the maintaining LA by **11<sup>th</sup> May 2018**. If information is received from applicants after **11<sup>th</sup> May 2018**, Tower Hamlets LA will pass it to the maintaining LA as it is received.
35. Where a place becomes available in an oversubscribed maintained school or academy in this LA's area, it will be offered from a waiting list ordered in accordance with paragraph 2.14 of the School Admissions Code 2014.
36. Tower Hamlets will inform the home LA, where different, of an offer for a maintained school in Tower Hamlets LA's area which can be made to an applicant resident in the home LA's area, in order that the home LA can offer the place.
37. When acting as a maintaining LA, Tower Hamlets LA, and the admission authorities within it, will not inform an applicant resident in another LA that a place can be offered.
38. Tower Hamlets LA will offer a place at a maintained school in the area of another LA to an applicant resident in Tower Hamlets area, provided that the school is ranked higher on the Common Application Form than any school already offered.
39. Where Tower Hamlets LA is informed by a maintaining LA of an offer which can be made to an applicant resident in Tower Hamlets LA's area which is ranked lower on the Common

Application Form than any school already offered, it will inform the maintaining LA that the offer will not be made.

40. Where this LA, acting as a home LA, has agreed to a change of preference order for good reason, it must inform any maintaining LA affected by the change. In such cases, paragraphs 36 and 37 shall apply to the revised order of preferences.
41. Tower Hamlets LA will inform the home LA, where different, of any change to an applicant's offer status as soon as it occurs.
42. Tower Hamlets LA will accept new applications (including additional preferences) from home LAs for maintained schools in its area.
43. Parents who wish their children's names to be placed on the waiting list of a higher ranked school to the one offered or to any of the preferred schools if an offer has not been possible must notify Pupil Services by **4<sup>th</sup> May 2018**.
44. Tower Hamlets will seek to ensure that a place is not offered at a school which is ranked on the CAF as a lower preference than any school already offered to a parent.

## APPEALS

45. Parents have the right of appeal against the refusal of a place at any of the schools for which they have applied. Parents wishing to appeal to a Tower Hamlets community school must do so by **15<sup>th</sup> May 2018**. Tower Hamlets voluntary schools may have different arrangements and parents will be advised to contact the individual school for information.

## When children start the Year 7 of Secondary School in Tower Hamlets

All children of born between 1<sup>st</sup> September 2006 and 31<sup>st</sup> August 2007 can start the Year 7 of secondary school in September 2018.

### APPLICATIONS

1. Tower Hamlets LA will advise home LAs of their resident pupils on the roll of this LA's maintained primary schools and academies who are eligible to make application in the forthcoming application year.
2. Applications from residents of Tower Hamlets will be made on the authority's Common Application Form (CAF), which will be available and able to be submitted on-line. This will include all the fields and information specified in Schedule 1. These will be supplemented by any additional fields and information where deemed necessary by this LA to enable admission authorities in Tower Hamlets to apply their published oversubscription criteria.
3. Tower Hamlets will take all reasonable steps to ensure that every parent who is resident in this LA and has a child in their last year of primary education within a maintained school, either in Tower Hamlets or any other maintaining LA, receives a copy of this LA's admissions booklet and CAF, **including details of how to apply online**. The admissions booklet will also be available to parents who do not live in Tower Hamlets, and will include information on how they can access their home LA's CAF.
4. Tower Hamlets LA and the admission authorities within this LA i.e. Bishop Challoner, Raine's and Sir John Cass Foundation Schools will use supplementary forms to collect information which is required by the school's published oversubscription criteria and not available through the CAF. The LA will seek to ensure that information collected is in accordance with paragraph 2.4 of the School Admissions Code 2014.
5. Where Tower Hamlets or the other admission authorities within the LA use a supplementary form, they will be available on the Tower Hamlets website. The Tower Hamlets admission booklet will indicate which schools in Tower Hamlets require supplementary forms to be completed and where they can be obtained. Such forms will advise parents that they must complete their Home LA's CAF. An application will not be considered to be a valid application unless the parent has also listed the school on their home LA's CAF, in accordance with the School Admissions Code 2014.
6. Applicants will be able to express a preference for six maintained secondary schools or Academies within and/or outside Tower Hamlets.
7. The order of preference given on the CAF will not be revealed to a school within the Authority area in accordance with paragraph 1.9 of the School Admissions Code 2014. However, where a parent resident in this LA expresses a preference for schools in the area of another LA, the order of preference for that LA's schools will be revealed to that LA in order that it can determine the highest ranked preference in cases where an applicant is eligible for a place at more than one school in that LA's area.
8. Tower Hamlets LA undertakes to carry out address verification process as set out in its

entry in the LIAAG Address Verification Register. This will in all cases include the validation of resident applicants against Tower Hamlets primary school data and the further investigation of any discrepancy. Where this LA is not satisfied as to the validity of an address of an applicant whose preference has been sent to a maintaining LA, it will advise the maintaining LA no later than the **11<sup>th</sup> December 2017**.

9. Tower Hamlets LA will confirm the status of any resident child for whom it receives a CAF stating s/he is a 'Child Looked After' and will provide evidence to the maintaining LA in respect of a preference for a school in its area by **14<sup>th</sup> November 2017**.
10. Tower Hamlets LA will advise a maintaining LA of the reason for any preference expressed for a school in its area, in respect of a resident child born outside of their correct age cohort, and will forward any supporting documentation to the maintaining LA by the **14<sup>th</sup> November 2017**.

## PROCESSING

11. Applicants resident within Tower Hamlets must return the CAF, which will be available and able to be submitted on-line, to this LA by **31<sup>st</sup> October 2017**. This closing date applies to all LAs participating in the Pan London co-ordinated admissions arrangements. However, Tower Hamlets LA will publish information which encourages applicants to submit their application by the **20<sup>th</sup> October 2017 (i.e. the Friday before half term)**, to allow sufficient time to process and check all applications before the mandatory date when data must be sent to the PLR.
12. Application data relating to all preferences for Tower Hamlets residents applying to maintained schools in the area of other participating LAs, which have been expressed within the terms of the Tower Hamlets scheme, will be up-loaded to the PLR by **14<sup>th</sup> November 2017**. Supplementary forms mistakenly sent with the CAF will be sent to maintaining LAs and TH admission authorities by the same date, where possible.
13. Tower Hamlets, in consultation with the admission authorities within its area and within the framework of the Pan-London Timetable in Schedule 3B, will determine its own timetable for the processing of application data and the application of published oversubscription criteria.
14. Tower Hamlets will accept late applications only if they are late for a good reason. Examples of what will be considered as good reason include: when a single parent has been ill during the relevant period, or has been dealing with the death of a close relative; a family has just moved into the area. Other circumstances will be considered and each case decided on its own merits.
15. Where such applications contain preferences for schools in other LAs, Tower Hamlets will forward the details to maintaining LAs via the PLR as they are received. Tower Hamlets will accept late applications which are considered to be on time within the terms of the home LA's scheme, providing they are uploaded to the PLR by the latest date i.e. **11<sup>th</sup> December 2017**.

16. If, after submitting an on-time application, an applicant moves from Tower Hamlets to another participating LA or vice versa, it will be accepted and treated as on-time up to **11th December 2017**. This is on the basis that an on-time application already exists within the Pan-London system.
17. Tower Hamlets LA will participate in the application data checking exercise scheduled between the **12<sup>th</sup> December 2017 and 2nd January 2018** in the Pan London Timetable in Schedule 3B.
18. All preferences for schools within Tower Hamlets will be considered by the relevant admission authorities without reference to rank order in accordance with paragraph 1.9 of the School Admission Code 2012. Once each Tower Hamlets admission authority has ranked its applicants in criteria order and provided its list to the LA, Tower Hamlets LA shall, for each applicant to its schools for whom more than one potential offer is available, use the highest ranked preference to decide which single potential offer to make. [This is the 'Equal Preference System']
19. Tower Hamlets LA will carry out all reasonable checks to ensure that pupil rankings are correctly held in its LAS before uploading data to the PLR.
20. Tower Hamlets will upload the highest potential offer available to an applicant for a maintained school in this LA to the PLR by **2<sup>nd</sup> February 2018**. The PLR will transmit the highest potential offer specified by the Maintaining LA to the Home LA.
21. The LAS of Tower Hamlets LA will eliminate, as a Home LA, all but the highest ranked offer where an applicant has more than one potential offer across Maintaining LAs submitting information within deadline to the PLR. This will involve exchanges of information between the LAS and the PLR (in accordance the iterative timetable published in the Business User Guide) which will continue until notification that a steady state is achieved (which the PLR will indicate), or until **15<sup>th</sup> February 2018** if this is sooner.
22. Tower Hamlets LA will not make an additional offer between the end of the iterative process and **1<sup>st</sup> March 2018**, which may impact on an offer being made by another participating LA.
23. Notwithstanding paragraph 22, if an error is identified within the allocation of places at one of Tower Hamlets schools, Tower Hamlets LA will attempt to manually resolve the allocation to the correct the error. Where this impacts on another LA (either as home or maintaining LA) Tower Hamlets LA will liaise with the other LA in an attempt to resolve the correct offer and any multiple offers. However, if the other LA is unable to resolve a multiple offer, or is the impact is too far reaching, Tower Hamlets LA will accept that the applicants affected might receive a multiple offer.
24. Tower Hamlets LA will participate in the offer data checking exercise scheduled between the **16<sup>th</sup> and 22<sup>nd</sup> February 2018** in Pan London timetable in Schedule 3B.



25. Tower Hamlets LA will send a file to the E-Admissions portal with outcomes for all resident applicants who have applied online no later than **23<sup>rd</sup> February 2018**. (33 London LAs and Surrey only).

## OFFERS

26. Tower Hamlets LA will inform all residents applicants of their highest offer of a school place and, where relevant, the reason why higher preferences were not offered. Whether they were for schools in Tower Hamlets or in other participating LAs.
27. For Tower Hamlets residents for whom a place cannot be offered at any of the schools listed on the CAF on the **1<sup>st</sup> March 2018**. There will be an opportunity to state further preferences between March and Mid-April.
28. The Tower Hamlets LA outcome letter will include the information set out in schedule 2.
29. On **1<sup>st</sup> March 2018** Tower Hamlets LA will send by first class post notification of the outcome to resident applicants.
30. Tower Hamlets will provide its primary schools with destination data of its resident applicants by the end of February and provide updates at regular intervals throughout the summer term of 2018.

## POST OFFER

31. Tower Hamlets secondary schools must contact successful applicants immediately after the **2<sup>nd</sup> March 2018** to confirm the offer of a place and the arrangements for admission. They will notify Tower Hamlets LA of any pupils for whom an offer of place is declined and the reasons for this.
32. Tower Hamlets LA will request that its resident applicants, who have been offered a place at a school maintained by another LA, accept or decline the offer by the **15<sup>th</sup> March 2018**, or within two weeks of the date of any subsequent offer.
33. Where an applicant resident in Tower Hamlets LA accepts or declines a place in a school maintained by another LA by **15<sup>th</sup> March 2018**, Tower Hamlets LA will forward the information to the maintaining LA by **22<sup>nd</sup> March 2018**. Where such information is received from applicants after **17<sup>th</sup> March 2018**, Tower Hamlets LA will pass it to the maintaining LA as it is received.
34. Where a place becomes available in an oversubscribed maintained school or academy in Tower Hamlets LA, it will be offered from a waiting list ordered in accordance with paragraph 2.14 of the School Admissions Code 2014.
35. When acting as a maintaining LA, Tower Hamlets LA will inform the home LA, where different, of an offer for a maintained school or Academy in the Tower Hamlets area which can be made to an applicant resident in the home LA's area, in order that the home LA can offer the place.
36. When acting as a maintaining LA, Tower Hamlets LA, and the admission authorities within it, will not inform an applicant resident in another LA that a place can be offered.

37. When acting as a home LA, Tower Hamlets LA will offer a place at a maintained school or Academy in the area of another LA to an applicant resident in its area, provided that the school is ranked higher on the Common Application Form than any school already offered.
38. When acting as a home LA, when Tower Hamlets LA is informed by a maintaining LA of an offer which can be made to an applicant resident in Tower Hamlets which is ranked lower on the Common Application Form than any school already offered, it will inform the maintaining LA that the offer will not be made.
39. When acting as a home LA, Tower Hamlets LA has agreed to a change of preference order for good reason, it will inform any maintaining LA affected by the change. In such cases, paragraphs 35 and 36 shall apply to the revised order of preferences.
40. When acting as a maintaining LA, Tower Hamlets LA will inform the home LA, where different, of any change to an applicant's offer status as soon as it occurs.
41. When acting as a maintaining LA, Tower Hamlets LA will accept new applications (including additional preferences) from home LAs for maintained schools and academies in its area.
42. The Tower Hamlets LA secondary admissions booklet explains how waiting lists operate. In-Year admissions will be in accordance with the co-ordinated in-year admission scheme.

## APPEALS

43. Parents have the right of appeal against the refusal of a place at any of the schools for which they have applied. Parents wishing to appeal to a Tower Hamlets community school must do so by **29<sup>th</sup> March 2018**. Tower Hamlets voluntary schools may have different arrangements and parents will be advised to contact the individual school for information.

**This LA's Common Application Form for Admissions to Reception and Year 7 will contain the following fields as a minimum.**

**Child's details:**

Surname  
Forename(s)  
Middle name(s)  
Date of Birth  
Gender  
Home address  
Name of current nursery, school or under 5s provision

**Parent(s) / Carer(s) details:**

Title  
Surname  
Initials or Forename  
Address (if different to child's address)  
Telephone Number (Home, Daytime, Mobile)  
Email address  
Relationship to child

**Preference details (up to 6)**

Name of school  
Address of school  
Preference ranking  
Local Authority in which the school is based

**Additional information:**

Reasons for preference (including any medical or social reasons)  
Does the child have a statement of SEN? Y/N\*  
Is the child in the public care of a local authority / looked after? Y/N  
Is the child formerly CLA but now adopted or subject of a 'Residence Order' or 'Special Guardianship Order'? Y/N  
If yes, name of responsible authority  
Surname of sibling  
Forename of sibling  
DOB of sibling  
Gender of sibling  
Name of school sibling attends

**Other:**

Declaration and signature of parent or carer  
Date of signature

**Tower Hamlets Co-ordinated Admission Scheme**  
**(Template Outcome Letter for Admissions to Reception and Year 7 in 2018/19)**

From: Home LA

Date: **1 March 2018 (sec)**  
**16 April 2018 (prim)**

Dear Parent,

## Application to School

*I am writing to advise you that there is a place for «pupil\_firstname» «pupil\_surname» at \_\_\_\_\_ School for September 2018. This offer is subject to you providing the school with proof of your child's date of birth and current address by the \_\_\_\_\_ (2 weeks from date of offer).*

*This was the school you named as your \_\_\_\_\_ preference on the application form and the Headteacher will soon be in contact with you to make the necessary arrangements for «pupil\_firstname» admission in September.*

*Offers which could have been made for any schools you placed lower on your list of preferences, were automatically withdrawn(cancelled) under the co-ordinated admission arrangements as a higher preference has been offered.*

I am sorry that a place could not be offered at any of the schools you listed as a higher preference on your application form. For each of these schools there were more applications than places available and other applicants had a higher priority than your child under the school's admission policy. If you would like more information about the reason that your child was not offered a place at any higher preference school, you should contact the admission authority that is responsible for admissions to the school within the next few days. Details of the different admission authorities for Tower Hamlets are attached to this letter. If the school is outside Tower Hamlets, the admission authority will either be the borough in which the school is situated, or the school itself.

If you would like your child's name to be placed on the waiting list(s) for a Tower Hamlets community school you must contact Pupil Services telephone 020-364 5006 or e-mail: [schooladmissions@towerhamlets.gov.uk](mailto:schooladmissions@towerhamlets.gov.uk).

You have the right of appeal against the decision not to offer a place at your preferred school(s). If the appeal is for a Tower Hamlets school please use the enclosed appeal form. You **must** state your reasons for appealing and return it in the reply paid envelope by \_\_\_\_\_. You should use a separate appeal form for every school you appeal for.

If your appeal is for a school that is not in Tower Hamlets, you should contact the admission authority for that school for information on the waiting list and appeal procedures. It is in your interests to do so as soon as possible.

*\* If you are unable to take up the place at \_\_\_\_\_ for any reason, please contact the Pupil Services Team immediately on 020-7364 5006 or email [schooladmissions@towerhamlets.gov.uk](mailto:schooladmissions@towerhamlets.gov.uk).*

Yours sincerely

*(First preference offer letters will include the paragraphs in italics only)*

**\* The following paragraph will replace the one above for Tower Hamlets parents who receive an offer of a place at a school outside of Tower Hamlets:**

*Please confirm that you wish to accept the place at X School by completing the reply slip below. If you do not wish to accept the place, you will need to let me know what alternative arrangements you are making for your child's education. Please return the reply slip by 15<sup>th</sup> March 2018 (secondary) / 2<sup>nd</sup> May 2018 (primary).*

**Key dates in the timetable for the Co-ordination of Admissions to Reception**

<b>15 Jan 2018</b>	Statutory deadline for receipt of applications
<b>5 Feb 2018</b>	Deadline for the transfer of application information by the Home LA to the PLR (ADT file)
<b>12 Feb 2018</b>	Deadline for the upload of late applications to the PLR.
<b>13 Feb –19 Feb 2018</b>	Checking of application data
<b>15 Mar 2018</b>	Deadline for the transfer of potential offer information from the maintaining LAs to the PLR (ALT file).
<b>23 Mar 2018</b>	Final ALT file sent to PLR
<b>26 Mar – 9 Apr 2018</b>	Checking of offer data
<b>11 Apr 2018</b>	Deadline for on-line ALT file to portal
<b>16 Apr 2018</b>	Notification letters posted.
<b>4 May 2018</b>	Deadline for receipt of acceptances
<b>4 May 2018</b>	Deadline to request a place on a school Waiting List
<b>8 May 2018</b>	Deadline for transfer of acceptances to maintaining LAs
<b>15 May 2018</b>	Closing date for appeals to be lodged

**Key dates in the timetable for the Co-ordination of Admissions to Year 7**

<b>20 Oct 2017</b>	Published closing date (Friday before half-term)
<b>31 Oct 2017</b>	Statutory deadline for submission of the Common Application Form by parents to home local education authority.
<b>14 Nov 2017</b>	Deadline for the transfer of application information by the Home LA to the PLR.
<b>11 Dec 2017</b>	Deadline for the upload of late applications to the PLR.
<b>12 Dec 2017 - 2 Jan 2018</b>	Checking of application data
<b>2 Feb 2018</b>	Deadline for the transfer of potential offer information from the Maintaining LAs to the PLR.
<b>15 Feb 2018</b>	Final ALT file to PLR
<b>16 - 22 Feb 2018</b>	Checking of offer data
<b>23 Feb 2018</b>	Deadline for on-line ALT file to portal
<b>1 Mar 2018</b>	The Offer Day – the date on which notification letters are sent out.
<b>15 Mar 2018</b>	Deadline for Tower Hamlets residents to confirm acceptance of a place at an out-borough school.
<b>22 Mar 2018</b>	Deadline for transfer of acceptances to maintaining LAs
<b>29 Mar 2018</b>	Closing date for appeals to be lodged

# Secondary Transfer 2018

## Supplementary Form for out-borough pupils applying for Tower Hamlets Secondary Schools



Admissions stamp only

Date received

ID

- This supplementary form provides information needed for applications to the schools below from parents who do not live in Tower Hamlets.
- You must complete the application form issued by your home Local Authority as well as this form. If you do not complete both forms your application cannot be fully considered.
- You will need a separate supplementary form if you are applying to Bishop Challoner, Sir John Cass or Canary Wharf College 3 Secondary. These forms are available directly from the schools.

- Bow School
- Central Foundation
- George Green's
- Green Spring Academy Shoreditch
- Livingstone Academy
- Langdon Park
- Morpeth
- Mulberry
- Oaklands
- St Paul's Way Trust
- Stepney Green
- Swanlea
- London Enterprise Academy

### 1 Child's Detail

First names:

Last name:

Sex: Male  Female  Date of Birth Day  Month  Year

Home address:

Name of your child's primary school:

Borough of primary school:

### 2 Children with additional needs

Is your child undergoing a statutory assessment of special educational needs or Education, Health and Care Plan? Yes  No

Does your child have a final statement of special educational needs or Education, Health and Care Plan? Yes  No

### 3 Parent's or carer's details

Title:  Mr  Mrs  Ms  Miss

First name:

Last name:

Home address:   
 (if different from above)

Home phone number:

Daytime phone number:

Home Local Authority:



#### 4 Preferences for secondary school

Please list below the Tower Hamlet schools you are applying to. You must list the schools in preferred order.

Is this your eldest child? Yes  No

Is this your eldest son? Yes  No

Is this your eldest daughter? Yes  No

NFER Tests Reading Score  Maths Score  Band

Preference 1

Preference 2

Preference 3

Preference 4

Preference 5

Preference 6

Please provide the name and Date of Birth of any brothers or sisters also applying for a place at one of the above schools in September 2018

First names:

Last name:

Sex: Male  Female  Date of Birth Day  Month  Year

#### 5 Declaration and signature of the parent or carer

I am the person with parental responsibility for the child named above and the information given is true. I understand that false or misleading information may result in the offer of a place being withdrawn.

Signature:

Date:

Please complete and return to: Pupil Services, Mulberry Place, 5 Clove Crescent, London E14 2BG. Fax: 0207 364 4311 by 31<sup>st</sup> October 2017

London Borough of Tower Hamlets  
Pupil Services  
Town Hall  
Mulberry Place  
5 Clove Crescent  
E14 2BG



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# TOWER HAMLETS CHILDREN'S SERVICES

## PROPOSED SCHEME FOR IN-YEAR ADMISSIONS in 2018/19



**Version:** 1.0

**Date issued:** October 2016

**Prepared by:** Pupil Services  
Children's Services Directorate



# THE TOWER HAMLETS LA SCHEME FOR CO-ORDINATED IN-YEAR ADMISSIONS IN 2018/19

## DEFINITIONS

“the LA”	the Local Authority
“the Maintaining LA”	the LA which maintains a school to which an applicant has applied
“the Home LA”	the LA (local authority) in which the applicant/parent is resident
“the Application Year”	the academic year in which the parent makes an application i.e. in relation to the academic year of entry, the academic year preceding it.
“The LA In-Year Admission Form”	this is the LA form that all parents must use to make their applications, set out in ranked order
“the Equal Preference System”	the model whereby all preferences listed by parents on the In-Year Admission Form are considered under the over-subscription criteria for each school without reference to parental rankings. Where a pupil is offered a place at more than one school, the rankings are used to determine the single offer by selecting the one ranked highest of the places offered
“the Code”	the School Admissions Code imposes mandatory requirements on LAs and Councils in England and refers to statutory requirements which all admission authorities must comply with. A copy can be found at <a href="https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/389388/School_Admissions_Code_2014_-_19_Dec.pdf">https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/389388/School_Admissions_Code_2014_-_19_Dec.pdf</a>
“the Local Admission System (LAS)”	the IT module for administering admissions and for determining the highest offer within Tower Hamlets
“the Notification Letter”	the agreed form of letter sent to an applicant that communicates any determination granting or refusing admission.
‘Own Admission Authority’	Schools that are responsible for setting their own admissions criteria and determining admissions themselves i.e. voluntary aided, academies and free schools.

## INTRODUCTION

This document outlines the co-ordinated In-Year school admissions arrangements in the London Borough of Tower Hamlets for the 2018/19 academic year. These arrangements are set out in accordance with the mandatory requirements in the School Admissions Code (Dec 2014) and apply to admission arrangements for admission in the school year 2018/19.

In line with changes in the school admission regulations, the Tower Hamlets co-ordinated admission arrangements no longer require **own admission authority** (i.e. academies, free and voluntary aided schools) schools to receive their in-year applications via the LA. However, following consultation with its Admission Forum, the LA believes that co-ordinating in-year admissions is the most effective way for ensuring that children out of school are tracked, monitored and placed in education as quickly as possible. This safeguarding element has been a particular strength of in-year coordination since its introduction and there is a substantial risk that vulnerable children and young people may 'slip through the net', if the LA reverts back to a system whereby applications are made direct to individual schools. **Own admission authority** schools are therefore urged to abide with the LA's procedures for co-ordinating the application stage of the process, whilst being able to issue the outcome direct to the applicant and notify the LA accordingly.

Tower Hamlets Local Authority will therefore continue, as far as possible, to coordinate in-year admissions as the maintaining Local Authority. Full details of the scheme are below, but the key features are as follows:

- Applicants wanting to apply for schools and academies within Tower Hamlets **must** apply using the LA's Common Application Form. Applicants can name up to three schools in order of preference.
- Tower Hamlets residents wishing to apply for schools in other boroughs **must** apply according to that borough's admission arrangements. This may involve applying directly to the relevant admission authority or via Tower Hamlets.
- The formal notification of the application outcome is made by the maintaining LA/**own admission authority** school.
- The Tower Hamlets Pupil Services Team will continue to directly administer community and voluntary controlled school admissions, including waiting lists for community schools.
- **Own admission authority** schools will continue to administer their own waiting lists and determine whether a place can be offered. VA schools and Canary Wharf College Free Schools will retain a supplementary form (for applicants applying for a place on faith grounds).
- It is critical for the Pupil Services Team to hold up-to-date information about school vacancies so that correct advice can be provided to parents. Schools that are on SAMs (School Admission Module) must update their roll numbers directly on the system. Pupil Services will also, collect data from its schools using secure data exchange methods to confirm the roll numbers and other details for each year group.
- All Schools, including own admission authority schools are reminded that they are legally obliged to fill vacancies in any year group where the number of pupils on roll is below the published admission number irrespective of their admissions criteria.

- Unsuccessful applicants have a right of appeal to an independent appeal panel. Own admission authority schools must make arrangements for hearings although the LA will be able to facilitate this for them for a charge.

## ADMISSION NUMBERS

The admission numbers of all primary and secondary schools are set out in the LA's composite prospectus.

## APPLICATIONS

1. This scheme applies to all applicants for maintained schools, academies and own admission authority schools within Tower Hamlets.
2. Applications must be made on the **LA In-Year Application/Transfer Form**, which will be available from the Pupil Services Team, Tower Hamlets schools and academies, and the Tower Hamlets website.
3. Applicants will be able to express a preference for up to three maintained schools, academies and own admission authority schools within Tower Hamlets.
4. Applicants must return the **LA In-Year Application/Transfer Form** to the Pupil Services Team.
5. Any preferences made for own admission authority schools in Tower Hamlets will be available for schools to see using SAMs. If an own admission authority school receive applications directly, they must notify the Pupil Services Team immediately and advise the applicant they must complete the application form issued by the LA.
6. The order of preference given on the **LA In-Year Application/Transfer Form** will not be revealed to individual schools.
7. **Own admission authority schools** within Tower Hamlets may use supplementary information forms where there is not sufficient information on the LA Form for consideration of the application against the published oversubscription criteria. **This must only be in circumstances where schools require additional information relating to membership of a particular faith.** The supplementary form should be completed and returned to the school concerned. The LA will seek to ensure that supplementary forms only collect information that is required by the published oversubscription criteria, in accordance with the Admissions Code of Practice (Dec 2014).
8. Where an own admission authority school in Tower Hamlets receives a supplementary form, it will advise the parent/carer to complete the **LA In-Year Application/Transfer Form** to formally register their application.
9. Tower Hamlets LA will notify the Home LA of all applications submitted for children who are not borough residents, in accordance with the agreed protocol for the exchange of information between London LAs. This procedure is to ensure the Home LA has an overview of children without a school place and school to school transfer requests and retains its safeguarding responsibilities.
10. Tower Hamlets LA will confirm the status of any resident child for whom it receives a Common Application Form stating s/he is a child looked after, became subject to an

adoption, residence, or special guardianship order, and will notify the Home LA if the child is not resident in Tower Hamlets.

## PROCESSING

11. To determine the availability of places, all Tower Hamlets schools and academies will be required to provide the Pupil Services Team, on request, their roll number, vacancies and waiting list numbers (own admission authority schools) for each year group. Schools will also be required to maintain an accurate record of their roll numbers across all year groups using SAMs.
12. The Pupil Services Team will carry out the following functions to process applications for schools and academies:
  - Where the **LA In-Year Application/Transfer Form** is not fully completed, the applicant will be notified the application is invalid until all the information is received. If the child is without a school place then an offer or allocation will be made whilst the relevant information is obtained.
  - Use a secure means to exchange data with its schools, academies and other LAs.
13. Where an applicant has expressed a preference for one or more schools/academies outside of Tower Hamlets, application details will be passed to the maintaining LA to process for the schools applied for in that borough. Some maintaining LAs will require that applications are made directly to them or to the admissions authority. Pupil Services will advise parents if this is the case.

## NOTIFICATION OF OUTCOME:

### CHILDREN WITHOUT A SCHOOL PLACE

14. Pupil Services will aim to notify the outcome of an application made for community and voluntary controlled schools by letter within **10 school days**. The letter will advise the following:
  - a. The name of the school at which a place is provisionally offered
  - b. The procedure and documentation required for the parent(s) to accept the offer including the requirement for them to provide the schools with the necessary proof of address and guardianship.
  - c. If applicable, the reasons why the child is not being offered a place at any of the other schools they named on the application form, the opportunity to be added to a waiting list and details of their right of appeal.
15. Where it is evident that more than one school place can be offered, Pupil Services will eliminate all but the highest ranked offer where an applicant has ranked schools in order of preference on the **LA In-Year Application/Transfer Form**. Any lower preferences will be withdrawn at this point.

16. Where it is evident that more than one school place can be offered as a result of liaison with applications made to school(s) in other LAs, Pupil Services will contact the family to establish which offer will be accepted and free up any potential multiple offers.
17. Parents of Tower Hamlets children who cannot be offered a place at any of their preferred schools will be advised of the school at which a place has been reserved, which may be a community, voluntary or academy school.

**Where the LA is not the admission authority, notifications can be made in the following ways:**

18. **Own admission authority schools** can notify parents/carers direct on the outcome of applications referred by LA. However, they will need to advise the Pupil Services Team beforehand so that decisions are co-ordinated and that the LA is able to ensure that children are not missing education.
19. Where a child is resident in **another borough**, the Pupil Services Team will notify the parent of the outcome and, where necessary, advise about the waiting list and their right of appeal. The Home LA will be informed of the outcome of the application, in accordance with the agreed protocol for the exchange of information between London LAs.
20. All Tower Hamlets schools (including **own admission authority schools**) must also adhere to the requirement to admit children referred by Pupil Services under the provision of the locally agreed Fair Access Protocol, as required by 3.12 of the School Admissions Code.

## **CHILDREN WHO ARE CURRENTLY IN SCHOOL (SCHOOL TRANSFER)**

21. In most cases, school to school transfers will take place according to the LA's published transfer timetable. Exceptions may be made on cases where children are making an unreasonable journey to a school or where there is an exceptional medical or social need for early transfer, but these will only be agreed following discussion with all parties involved.
22. Where an offer can be made for a child currently on roll at another Tower Hamlets school, Pupil Services will notify the child's current school in accordance with the transfer timetable.

## **POST OFFER**

23. Schools and academies are required to admit children within **10 school days** of the date of the notification letter except in cases of transfer between schools in Tower Hamlets. In these circumstances, the transfer should take place at the beginning of the proceeding half term.
24. Where a child does not take up the place within the relevant timeframe the school must notify the Pupil Services Team. Pupil Services will then make effort to contact the family to find out whether or not they wish to accept the place, and notify the offered school. Only where there is no response, and it can be demonstrated that every effort has been made to contact the family, will the offer of a place be withdrawn.
25. In cases where an offer of a school place has been rejected and it is evident that no alternative provision has been arranged for the child by the parent/carer, the Pupil



Services Team will carry out a home visit or refer the family's details to the Attendance and Welfare Service or the Home LA, if the child is not resident in Tower Hamlets. The LA will expect schools to attempt to contact families by all means available, including email and letter to the family if there is no response before taking the appropriate action.

26. Once a school offer is made, any other applications/preferences will be withdrawn and families will need to reapply if they wish to be added to the waiting lists for any further schools.
27. If a family refuse more than two transfers in an academic year, without reasonable justification, then their application will be withdrawn and they will not be considered for any further transfers in that academic year. If the application has previously been awarded priority (such as Medical/social or Children who are out of school) on a waiting list, and the family then refuse the offer, the priority status may be removed.
28. For children not in receipt of education, delay in a straightforward admission to a school where a vacancy has been identified should be avoided. The Pupil Services Team will work closely with its schools to place the child on roll as soon as reasonably practical.
29. Where Pupil Services receives notification of an accepted offer for a child not resident in Tower Hamlets, this information will be shared with the Home LA.

## APPEALS

30. Parents have the right of appeal against the refusal of a place at any of the schools for which they have applied. **Own admission authority schools** must therefore ensure they inform parents of their right of appeal, and the arrangements for doing so, if they are unable to offer a place.
31. **Own admission authority schools** should also notify Pupil Services of all appeals that are lodged for the school along with the outcome, as soon as this is determined.
32. Where Pupil Services receives notice on the outcome of an appeal for a school in its area, this information will be shared with the Home LA for a child not resident in Tower Hamlets.

## WAITING LISTS

33. The waiting lists for all Tower Hamlets **community and voluntary controlled** schools will be held and administered by the Pupil Services Team for all year groups and will be ordered in accordance with the published admission criteria. Parents/carers that approach community schools direct, that want to be added to a waiting list, will be required to complete **LA In-Year Application/Transfer Form**.
34. **Own admission authority schools** will maintain their own waiting lists. When a place can be offered, the school will provide the Pupil Services Team with the details of the child that they have determined as the next eligible child on the list in accordance with their published admission criteria. Where necessary, the child's current school will be notified of the offer by the Pupil Services Team and the child will transfer at the beginning of the next half-term.

35. Children who are subject of a direction by the local authority to admit or who are allocated to a school in accordance with the Fair Access Protocol must take precedence over those on a waiting list.

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## Appendix 6 - PLANNED ADMISSION NUMBERS FOR SCHOOLS IN TOWER HAMLETS (2018/19)

No	Nursery and Primary Schools	Catchment Area	Nursery Class/ Early Years Unit	Type of School and Age Range	Number of places (Published Admission Number)	
1.	<b>Alice Model</b> Beaumont Grove, E1 4NQ	1	Yes	Nursery 3-5	N/A	
2.	<b>Arnhem Wharf</b> Arnhem Place, E14 3RP	4	Yes	Community 3-11	90	
3.	<b>Bangabandhu</b> Wessex Street E2 0LB	1	Yes	Community 3-11	60	
4.	<b>Ben Jonson</b> Harford Street E1 4PZ	1	No	Community 4-11	90	
5.	<b>Bigland Green</b> Bigland Street, E1 2ND	5	Yes	Community 3-11	60	
6.	<b>Blue Gate Fields Infant</b> King David Lane, E1 0EH	5	Yes	Community 3-7	90	
7.	<b>Blue Gate Fields Junior</b> King David Lane, E1 0EH	5	N/A	Community 7-11	N/A	
8.	<b>Bonner (Bethnal Green)</b> Stainsbury Street, E2 0NF	1	No	Community 4-11	60	
9.	<b>Bonner (Mile End)</b> Ropery Street, E3 4QE	2	Yes	Community 3-11	60	
10.	<b>Bygrove</b> Bygrove Street, E14 6DN	3	Yes	Community 3-11	30	
11.	<b>Canary Wharf College East Ferry</b> East Ferry Road, E14 3BA	N/A	No	Free 4-11	40	
12.	<b>Canary Wharf College Glenworth</b> Saunders Ness Road, E14 3EB	N/A	No	Free 4-11	40	

No	Nursery and Primary Schools	Catchment Area	Nursery Class/ Early Years Unit	Type of School and Age Range	Number of places (Published Admission Number)	
13.	<b>Canon Barnett</b> Gunthorpe Street, E1 7RQ	5	Yes	Community 3-11	45	
14.	<b>Cayley</b> Aston Street, E14 7NG	1	Yes	Community 3-11	90	
15.	<b>Children's House</b> Bruce Road, E3 3HL	2	Yes	Nursery 3-5	N/A	
16.	<b>Chisenhale</b> Chisenhale Road, E3 5QY	2	Yes	Community 3-11	45	
17.	<b>Christ Church CE</b> Brick Lane, E1 6PU	N/A	Yes	Voluntary 3-11	30	
18.	<b>Columbia</b> Columbia Road, E2 7RG	6	Yes	Community 3-11	60	
19.	<b>Columbia Market Nursery</b> Columbia Road, E2 7PG	6	Yes	Nursery 3-5	N/A	
20.	<b>Cubitt Town Infants</b> Manchester Road, E14 3NE	4	Yes	Community 3-7	90	
21.	<b>Cubitt Town Juniors</b> Manchester Road, E14 3NE	4	N/A	Community 7-11	N/A	
22.	<b>Culloden</b> Dee Street, E14 0PT	3	Yes	Academy 3-11	90	#
23.	<b>Cyril Jackson</b> Three Colt Street, E14 8HH	3	Yes	Community 3-11	60	#
24.	<b>Elizabeth Selby</b> Old Bethnal Green Road, E2 6PP	6	Yes	Community 3-7	75	
25.	<b>English Martyrs RC</b> St Mark Street, E1 8DJ	N/A	Yes	Voluntary 3-11	30	

No	Nursery and Primary Schools	Catchment Area	Nursery Class/ Early Years Unit	Type of School and Age Range	Number of places (Published Admission Number)	
26.	<b>Globe</b> Gawber Street, E2 0JH	1	Yes	Community 3-11	45	#
27.	<b>Guardian Angels RC</b> Whitman Road, E3 4RB	N/A	No	Voluntary 4-11	30	
28.	<b>Hague</b> Wilmot Street, E2 0BP	6	Yes	Community 3-11	30	#
29.	<b>Halley</b> Halley Street, E14 7SS	1	Yes	Community 3-11	30	
30.	<b>Harbinger</b> Cahir Street, E14 3QP	4	Yes	Community 3-11	45	
31.	<b>Harry Gosling</b> Fairclough Street, E1 1NT	5	Yes	Community 3-11	60	
32.	<b>Harry Roberts</b> Commodore Street, E1 4PF	6	Yes	Nursery 3-5	N/A	
33.	<b>Hermitage</b> Vaughan Way, E1W 2PT	5	Yes	Community 3-11	45	
34.	<b>John Scurr</b> Cephas Street, E1 4AX	1	Yes	Community 3-11	60	
35.	<b>Kobi Nazrul</b> Settles Street, E1 1JP	6	Yes	Community 3-11	30	
36.	<b>Lansbury Lawrence</b> Cordelia Street, E14 6DZ	3	Yes	Community 3-11	60	
37.	<b>Lawdale</b> Mansford Street, E2 6LS	6	N/A	Community 7-11	N/A	
38.	<b>Livingstone Academy</b> Commercial Road, E1 1LA	N/A	No	Free 4 - 19	90	
39.	<b>Malmesbury</b> Coborn Street, E3 2AB	2	Yes	Community 3-11	75	
40.	<b>Manorfield</b> Wyvis Street, E14 6QD	3	Yes	Community 3-11	90	

No	Nursery and Primary Schools	Catchment Area	Nursery Class/ Early Years Unit	Type of School and Age Range	Number of places (Published Admission Number)	
41.	<b>Marion Richardson</b> Senrab Street, E1 0QF	1	Yes	Community 3-11	60	
42.	<b>Marner</b> Devas Street, E3 3LL	3	Yes	Community 3-11	90	
43.	<b>Mayflower</b> Upper North Street, E14 6DU	3	Yes	Community 3-11	45	
44.	<b>Mowlem</b> Mowlem Street, E2 9HE	6	Yes	Community 3-11	30	
45.	<b>Old Church</b> Walter Terrace, E1 0RJ	1	Yes	Nursery 3-5	N/A	
46.	<b>Old Ford</b> Wrights Road, E3 5LD	2	Yes	Academy 3-11	90	
47.	<b>Old Palace</b> St Leonards Street, E3 3BT	2	No	Community 4-11	60	
48.	<b>Olga</b> Lanfranc Road, E3 5DN	2	Yes	Community 3-11	90	
49.	<b>Osmani</b> Vallance Road, E1 5AD	6	Yes	Community 3-11	60	
50.	<b>Our Lady &amp; St Joseph</b> Wades Place, E14 0DE	N/A	Yes	Voluntary 3-11	60	
51.	<b>Rachel Keeling</b> Morpeth Street, E2 0PS	1	Yes	Nursery 3-5	N/A	
52.	<b>Redlands</b> Redman's Road, E1 3AQ	1	Yes	Community 3-11	60	
53.	<b>Seven Mills</b> Malabar Street, E14 8LY	4	Yes	Community 3-11	30	
54.	<b>Shapla</b> Wellclose Square, E1 8HY	5	Yes	Community 3-11	30	

No	Nursery and Primary Schools	Catchment Area	Nursery Class/ Early Years Unit	Type of School and Age Range	Number of places (Published Admission Number)	
55.	<b>Sir William Burrough</b> Salmon Lane, E14 7PQ	N/A	Yes	Academy 3-11	45	
56.	<b>Smithy Street</b> Smithy Street, E1 3BW	1	Yes	Community 3-11	60	
57.	<b>St Agnes RC</b> Rainhill Way, E3 3ER	N/A	Yes	Voluntary 3-11	30	
58.	<b>St Anne's RC</b> Underwood Road, E1 5AW	N/A	Yes	Voluntary 3-11	45	
59.	<b>St Edmund's RC</b> Westferry Road, E14 3RS	N/A	Yes	Voluntary 3-11	30	
60.	<b>St Elizabeth's RC</b> Bonner Road, E2 9JY	N/A	Yes	Voluntary 3-11	60	
61.	<b>St John's CE</b> Peel Grove, E2 9LR	N/A	Yes	Voluntary 3-11	30	
62.	<b>St Luke's CE</b> Saunders Ness Road, E14 3EB	N/A	Yes	Voluntary 3-11	60	
63.	<b>St Mary &amp; St Michael RC</b> Commercial Road, E1 0BD	N/A	Yes	Voluntary 3-11	60	
64.	<b>St Matthias CE</b> Bacon Street, E2 6DY	N/A	Yes	Voluntary 3-11	30	
65.	<b>St Paul's CE</b> Wellclose Square, E1 8HY	N/A	Yes	Voluntary 3-11	30	
66.	<b>St Paul's Way Foundation</b> Wallwood Street E14 7BW	N/A	No	Foundation Trust 4- 18	60	
67.	<b>St Paul's With St Luke's CE</b> Leopold Street, E3 4LA	N/A	Yes	Voluntary 3-11	30	

No	Nursery and Primary Schools	Catchment Area	Nursery Class/ Early Years Unit	Type of School and Age Range	Number of places (Published Admission Number)	
68.	<b>St Peter's (London Docks) CE</b> Garnet Street, E1W 3QT	N/A	Yes	Voluntary 3-11	30	
69.	<b>St Saviours CE</b> Chrisp Street, E14 6BB	N/A	Yes	Voluntary 3-11	30	
70.	<b>Solebay</b> Solebay Street, E1 4PW	1	No	Academy 4-11	50	
71.	<b>Stebon</b> Wallwood Street, E14 7AD	3	Yes	Community 3-11	90 From Sept 2014	
72.	<b>Stepney Greencoat CE</b> Norbiton Road, E14 7TF	N/A	No	Voluntary 4-11	30	
73.	<b>Stewart Headlam</b> Tapp Street, E1 5RE	6	Yes	Community 3-11	60	
74.	<b>The Clara Grant</b> Knapp Road, E3 4BU	3	Yes	Community 3-11	60	
75.	<b>Thomas Buxton</b> Buxton Street, E1 5AR	6	Yes	Community 3-11	60	
76.	<b>Virginia</b> Virginia Road, E2 7NQ	6	Yes	Community 3-11	30	
77.	<b>Wellington</b> Wellington Way, E3 4NE	2	Yes	Community 3-11	60	
78.	<b>William Davis</b> Cheshire Street, E2 6EU	6	Yes	Community 3-11	30	
79.	<b>Woolmore</b> Woolmore Street, E14 0EW	3	Yes	Community 3-11	90	

# These schools have places reserved for hearing impaired children or those with speech and language SEN



No.	Secondary Schools	Address	Post code	Type of School and Age Range	No. of Places (Published Admission Number)	
1.	Bishop Challoner Boys	Commercial Road	E1 0LB	Voluntary Aided 11- 18	120	
2.	Bishop Challoner Girls	Commercial Road	E1 0LB	Voluntary Aided 11 - 18	150	
3.	Bow School	Twelvetrees Crescent	E3 2QW	Community 11 - 19	270	
4.	Canary Wharf College 3	East Ferry Road	E14 3BA	Free School 11 - 19	40	
5.	Central Foundation Girls	Bow Road	E3 2AE	Voluntary Aided 11 -19	240	
6.	George Green's	Manchester Road	E14 3DW	Voluntary Controlled 11-19	210	
7.	Green Spring Academy Shoreditch	Gosset Street	E2 6NW	Academy 11 - 19	180	
8.	Langdon Park	Bright Street	E14 0RZ	Community 11 - 19	180	
9.	Livingstone Academy	Commercial Road	E1 1LA	Free School 4 - 19	120	
10.	London Enterprise Academy	Commercial Road	E1 1LA	Free School 11 - 16	120	
11.	Morpeth School	Portman Place	E2 0PX	Community 11 - 18	240	
12.	Mulberry School for Girls	Richard Street	E1 2JP	Community 11-18	210	
13.	Mulberry UTC	Parnell Road	E3 2RU	University Technology College 14-19	60	
14.	Oaklands	Old Bethnal Green Road	E2 6PR	Community 11 - 18	120	
15.	Raine's Foundation	Approach Road	E2 9LY	Voluntary Aided 11 - 18	150	
16.	Sir John Cass's Foundation	Stepney Way	E1 0RH	Voluntary Aided 11 - 19	208	
17.	St Paul's Way Trust	St Paul's Way	E3 4FT	Foundation Trust 4 - 19	240	#
18.	Stepney Green	Ben Jonson Road	E1 4SD	Community 11 -18	180	
19.	Swanlea	Brady Street	E1 5DJ	Community 11 - 19	210	
20.	Wapping High School	Commercial Road	E1 2DA	Free School 11 - 16	84	

# These schools have places reserved for hearing impaired children or those with speech and language SEN

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## School Admission Arrangements 2018/19 – Analysis of Responses to the Public Consultation

### 1.0 Introduction

The Authority consults on its school admissions arrangements annually, to ensure that school place allocations continue to be fair and transparent and that as many parents as possible can obtain a place for their child at one of their preferred schools.

This year's consultation included the proposal for the Local Authority to establish a central system for the co-ordination of applications for admissions to community nursery schools and classes. Under the proposal the Local Authority would centrally administer the nursery admissions process with the objective of ensuring that nursery places are offered to as many children as deemed possible in addition to providing better support to families, both through the application process and in securing their free nursery entitlement.

In addition to the aforementioned, this year's consultation also covered:

#### The oversubscription criteria for:

- Tower Hamlets Community Nursery Schools and Classes
- Tower Hamlets Community Primary Schools and own admission authority schools that adopt these arrangements
- Tower Hamlets Community Secondary Schools and own admission authority schools that adopt these arrangements

#### The proposed schemes for the co-ordination of admissions for:

- the Reception Year of Primary School and Year 7 of Secondary School;
- admissions outside of the normal points of entry ('In Year' admission)

#### The Planned admission numbers for:

- Tower Hamlets Community Schools
- Voluntary Aided Schools in Tower Hamlets
- Academy and Free Schools in Tower Hamlets

#### Consultation Period

The eight week consultation period ran from 1<sup>st</sup> November until 30<sup>th</sup> December 2016

## 2.0 Communication

The table below includes the communication methods used to advertise and promote the consultation and their reach.

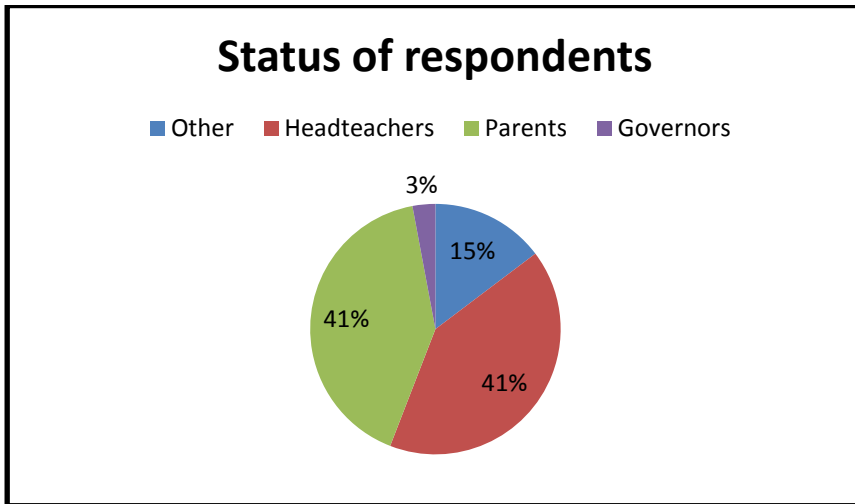
**Table A – Communication mediums used for consulting on the 2018/19 school admissions arrangements.**

Communication Medium	Reach	
Notice to all governors via Governor Services with information on proposals and consultation deadline	All governors	2 <sup>nd</sup> November 2016
Notice to all neighbouring local authorities seeking their views	All neighbouring local authorities	1 <sup>st</sup> November 2016
Notice on Tower Hamlets Council website and intranet with a direct link to online consultation questionnaire to obtain wider reach	All local residents and businesses and staff employed by the council	1 <sup>st</sup> November 2016
Notice in East London Advertiser Newspaper	Local residents and businesses	1 <sup>st</sup> December 2016
Notice in weekly Desh Newspaper	Wider community reach including hard to reach communities	1 <sup>st</sup> December 2016
Headteachers Bulletin and Agenda for Primary and Secondary Heads Phase Consultative meetings	All head teachers employed by the local authority	4 <sup>th</sup> November 2016
Tower Hamlets under 5 providers including Children's Centres, Playgroups, Nurseries	All under 5 providers in Tower Hamlets	1 <sup>st</sup> December 2016
Members Bulletin including briefing note for Lead Member for Children's Services	All elected members asking for support to engage the local community	1 <sup>st</sup> November 2016
Admissions Forum	Members of the Forum	30 <sup>th</sup> November 2016
Parent Champions	Consultation with Parent Champions to reach parents	14 <sup>th</sup> December 2016
Councils social media accounts, scheduled releases on Facebook and Tweeter	Wider reach	8 <sup>th</sup> November 2016

### 3.0 Profile of respondents

The chart below shows the profile information for those who completed the online questionnaire and who attended the parent’s focus group.

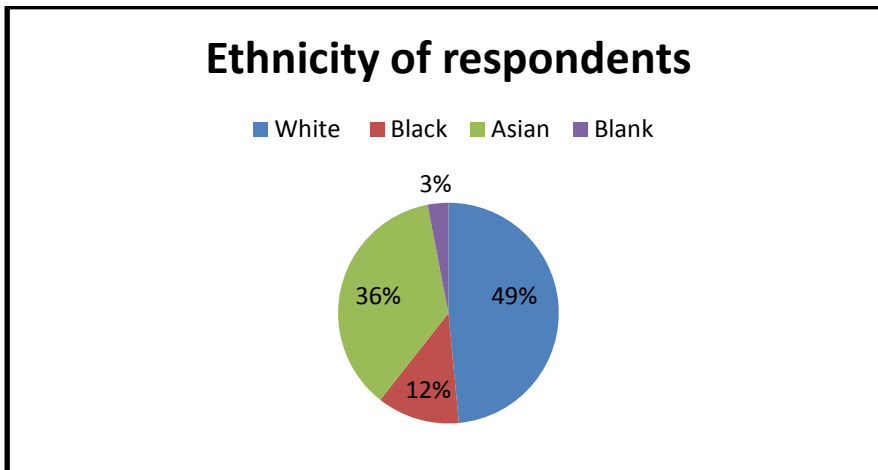
**Table B – Status of respondents**



The responses were evenly split between parents and schools.

### 3.1 Ethnicity and Disability profile of respondents

**Table C - Ethnicity and disability of respondents**



The respondents engaged represented a range of ethnicities. White and Bangladeshi respondents represent the largest groups. Other ethnic groups include: Caribbean, African, Chinese, Somalian, Pakistani and Thai.

26 respondents stated they were not disabled, 2 responded ‘Yes’ while 6 did not specify. There were no dual heritage respondents.

## 4.0 Summary of Responses

There were a total of thirty four responses to the consultation. Twenty five were completed through submission of the online questionnaire. Nine were completed following an open public event.

There was general agreement to the proposals with respondents positive about ensuring a fair and accessible system of school place allocation. The only change to existing arrangements was the proposal to centrally co-ordinate admissions to community nursery classes and schools. This was supported by 74%, of respondents who agreed that a centralised system would make things clearer and easier for parents as well as remove the need for them to apply to more than one agency. 26% disagreed with this proposal with one of the respondents concerned that a central system would remove the personal connection that parents have with schools as well as limit a school's ability to support families who were in most need. Another of those who disagreed was of the view that the current system, where schools were approached directly, gave parents more control of the nursery admission process.

The parents and carers that responded via the facilitated focus group agreed that a centralised system for all school admissions was fair. Some felt they needed to be provided with information that would help them to better understand school intakes and catchment areas, whereas others believed that the current system was well-organised and easy to follow.

A number of Primary school headteachers expressed concern about the current difficulties with teacher recruitment and retention in the borough. This was having an adverse impact on standards. They would like the Authority to assist with addressing this issue by introducing a new criterion, within the nursery and primary school oversubscription criteria, giving priority to the children of staff who have been employed at the school for more than two years.

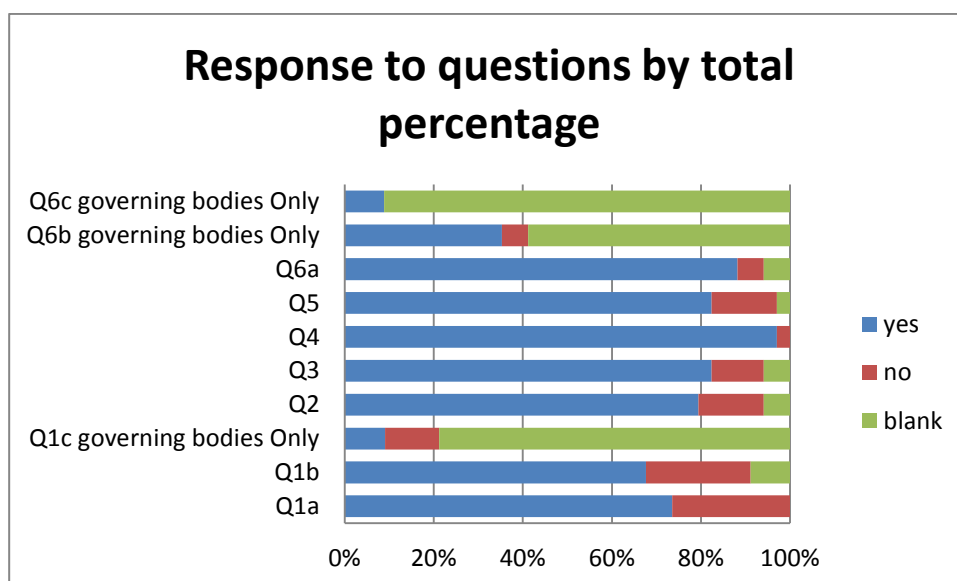
One school responded to express concern about its ability to fill all of its places following the introduction and expansion of a new free school in the Isle of Dogs. It was therefore proposing a rationalisation of the places available at schools within the Isle of Dogs area.

There was little comment on the arrangements for secondary school admissions. However, one respondent proposed the introduction of a priority area for Morpeth Secondary School covering the Bow area (east of Grove Road, north of Mile End Road), as they felt this area is currently under-served by local secondary schools.

One respondent expressed concern about the Planned Admission Numbers for schools with one and half forms of entry (i.e. 45 pupils). Schools with one and half forms of entry were required to open classes for very small numbers. In the current financial climate this caused significant problems, especially when nearby schools are not full. There needed to be better consideration at Local Authority level of the impact on schools who had half form entr classes and whether resources could be better allocated.

## 4.1 Analysis of results

**Table D1 – Responses to consultation questions in percentages**



**Table D2 – Responses to consultation questions in numbers**

Question	YES	NO	Blanks
1a. Do you agree with the proposal for a central system to co-ordinate applications for admission to nursery schools and classes?	25	9	0
1b. Do you agree with the other arrangements and oversubscription criteria for admission to Community nursery schools/classes as set in Appendix A?	23	8	3
1c. Will your school participate in a co-ordinated nursery admissions scheme on the same basis as it does for reception and in-year admissions? <b>(Governing body only)</b>	3	4	26
2. Do you agree with the proposed arrangements and oversubscription criteria for admission to Tower Hamlets Community primary schools?	27	5	2
3. Do you agree with the proposed arrangements and oversubscription criteria for admission to community secondary schools?	28	4	2
4. Do you agree with the proposed scheme for co-ordinating both Year 7 and Reception Year admissions?	33	1	0
5. Do you agree with the proposed arrangements for co-ordinating In-Year admissions?	28	5	1
6a. Do you agree with Planned Admission Numbers schools in Tower Hamlets?	30	2	2
6b. Do you agree with Planned Admission Number for your school? <b>(Governing body only)</b>	12	2	20
6c. Do you agree with the Planned Admission Number for those schools whose admissions might impact on your own school? <b>(Governing body only)</b>	3	0	31

The above table shows a generally positive consensus to the proposed arrangements. For all the key questions (excluding questions for governing bodies where there were fewer responses) the majority of respondents agree with the proposals and some positive comments were received. However, some highlighted concerns or issues that have been addressed in the Local Authority response.

## 5. Analysis of comments from questionnaire

<b>Question One a, b and c: Proposed arrangements for admission to Tower Hamlets nursery schools/classes</b>	
<b>Respondent</b>	<b>Comments</b>
Unspecified	Priority for working parents needs to be considered with economic changes. Parents do not want a centralised system for nursery – want to keep the personal connection with nursery schools. Current system works. Feel parents have more control with current system. Maybe there should be a 50/50 system. Council should only step in if parent cannot find any place.
Head Teacher	We take the neediest children who are referred directly to us. We have a number of children who defer entry to primary school and therefore have a January intake. We also take three year olds who are eligible for the two year old funding. We are still registering children in July for entry in September. When we sent our list to the LA not one child on that list eventually started here and yet we are full with a waiting list.
Head Teacher	<p>Staff recruitment and retention in Tower Hamlets is now a significant issue in our schools, both for the employment of teachers (specifically those in within the Stepney area) and support staff. The difficulty in recruiting and retaining staff is having a detrimental impact on standards. We can only see this issue becoming increasingly challenging as experienced staff move out of London in order to access cheaper childcare and lower living costs.</p> <p>I would like the LA to help in addressing this issue in its school admission arrangements as a matter of urgency. I believe this could, in part, be achieved by allowing the admissions of children of staff (who have worked in the school for more than two years) to be given priority as part of the admissions criteria. We believe that by changing the admissions criteria to reflect this priority, staff would remain in our schools by being able to access wrap around care in order to facilitate the struggles currently faced with affordable childcare costs.</p> <p>Recent comments from Sir Michael Wilshaw (Head of Ofsted) also confirms our concerns:          "There is clearly a perceived shortage," he said, warning that head teachers saw a teacher shortage as "a major bottleneck" to raising standards.          Source: BBC News - Pisa tests: UK lags behind in global schools.</p>
Parent	<p>Good for parents.          Have open day for nursery.          One centralised system and form.</p>



Parent	Clearer and easier for parents to use a centralised system. Open days for parents. Schools should not have to give up September and January in-takes.
Parent	I feel centralised system for nursery admissions is a good idea, however there are several issues to consider. 1. At the moment nursery schools have two intakes, September and January. How will the centralised system work, as children are accepted according to their age 2. The hard to reach parents (especially first children) how will they know how and when to apply.
Parent	Positive: More centralised structured system. Gives certainty to schools and parents. Have anticipated dates in advance.  Negatives: Be mindful of how January intakes would work. - especially if the child turns 3 in the spring term. At the moment schools can decide with relative ease.  Publicise, Publicise, Publicise, especially target those hard to reach families to advertise in GP's, Health Clinics and Children's Centres.

### Local Authority Response

The current nursery oversubscription criteria gives priority for a full-time nursery place to working parents or those studying full-time.

The Authority recognises the challenges currently faced by schools in being able to recruit and retain teaching staff. It will therefore consult on introducing a new criterion giving priority admission to children of staff for admission in the 2019/20 school year.

The Authority considers that there will be a number benefits to the central coordination of nursery admissions, it would:

- Providing parents with one source of information for all admissions stages;
- Enable parents to apply online to one central agency;
- Assisting the Local Authority with its pupil place planning and forecasting need for the reception year of primary school;
- Be more resource effective as it would help to create a database ready for the reception year admission process;
- Facilitate better support for families in securing their free nursery entitlement and thus enable the Local Authority to fully comply with its statutory duty;
- Provide access to information on the demand for nursery places as well as improve the management and funding of these places;
- Identify children entering maintained provision without any prior pre-school experience;
- Better facilitate the transfer of information for children with special educational needs thus enabling schools to undertake the necessary planning to best meet their needs;
- Enable the tracking of children who have accessed the disadvantaged 2 year old entitlement.

<b>Question Two: Proposed arrangements and oversubscription criteria for admission to community primary schools</b>	
<b>Respondent</b>	<b>Comments</b>
Other	The schools need to be able to determine if they are the nearest school when applying the oversubscription criteria - this is not currently possible. This would cut down on the number of families who are offered a nursery place because of the walking distance criteria but then cannot satisfy the nearest school criteria when it comes to applying for a reception place.
Head Teacher	There has to be a coordinated response to the crisis in schools in the west of the borough with empty places.
Head Teacher	<p>Staff recruitment and retention in Tower Hamlets is now a significant issue in our schools, both for the employment of teachers (specifically those in within the Tower Hamlets area) and support staff. The difficulty in recruiting and retaining staff is having a detrimental impact on standards. We can only see this issue becoming increasingly challenging as experienced staff move out of London in order to access cheaper childcare and lower living costs.</p> <p>I would like the LA to help in addressing this issue in its school admission arrangements as a matter of urgency. I believe this could, in part, be achieved by allowing the admissions of children of staff (who have worked in the school for more than two years) to be given priority as part of the admissions criteria. We believe that by changing the admissions criteria to reflect this priority, staff would remain in our schools by being able to access wrap around care in order to facilitate the struggles currently faced with affordable childcare.</p> <p>Recent comments from Sir Michael Wilshaw (Head of Ofsted) also confirms our concerns:          "There is clearly a perceived shortage," he said, warning that head teachers saw a teacher shortage as "a major bottleneck" to raising standards.</p>
Head Teacher	I feel staff having worked in a school for two years should be able to have priority for a school place. We are currently faced with losing two of our most experienced teachers as they consider positions in other LA that support such a policy. Equally if staff in primary schools has priority for school places so should secondary colleagues.
Head Teacher	<p>Staff recruitment and retention in Tower Hamlets is now a significant issue in our schools, both for the employment of teachers and support staff. The difficulty in recruiting and retaining staff is having a detrimental impact on standards. We can only see this issue becoming increasingly challenging as experienced staff move out of London in order to access cheaper childcare and lower living costs.</p> <p>I would like the LA to help in addressing this issue in its school admission arrangements as a matter of urgency. I believe this could, in part, be achieved by allowing the admissions of</p>

	<p>children of staff (who have worked in the school for more than two years) to be given priority as part of the admissions criteria. We believe that by changing the admissions criteria to reflect this priority, staff would remain in our schools by being able to access wrap around care in order to facilitate the struggles currently faced with affordable childcare costs.</p> <p>Recent comments from Sir Michael Wilshaw (Head of Ofsted) also confirms our concerns: "There is clearly a perceived shortage," he said, warning that head teachers saw a teacher shortage as "a major bottleneck" to raising standards.</p> <p>Source: BBC News - Pisa tests: UK lags behind in global school rankings 06 Dec 2016</p>
Head Teacher	<p>Staff recruitment and retention in Tower Hamlets is now a significant issue in our schools, both for the employment of teachers (specifically those in within the area) and support staff. The difficulty in recruiting and retaining staff is having a detrimental impact on standards. We can only see this issue becoming increasingly challenging as experienced staff move out of London in order to access cheaper childcare and lower living costs.</p> <p>I would like the LA to help in addressing this issue in its school admission arrangements as a matter of urgency. I believe this could, in part, be achieved by allowing the admissions of children of staff (who have worked in the school for more than two years) to be given priority as part of the admissions criteria. We believe that by changing the admissions criteria to reflect this priority, staff would remain in our schools by being able to access wrap around care in order to facilitate the struggles currently faced with affordable childcare costs.</p> <p>It has proved very difficult to fill three forms of entry to Arnhem Wharf since the opening of the local free school. Being under subscribed has affected our financial stability and the stability of our pupil demographic. We feel that there should be a rationalisation of places available on the Isle of Dogs.</p>
Other	<p>I believe that children of staff (particularly teachers) should be given priority as an incentive to recruit and retain. We lose several experienced teachers each year when their children reach school age.</p>
Head Teacher	<p>Staff recruitment and retention in Tower Hamlets is now a significant issue in our schools, both for the employment of teachers and support staff. The difficulty in recruiting and retaining staff is having a detrimental impact on standards. We can only see this issue becoming increasingly challenging as experienced staff move out of London in order to access cheaper childcare and lower living costs.</p>

	I would like the LA to help in addressing this issue in its school admission arrangements as a matter of urgency. I believe this could, in part, be achieved by allowing the admissions of children of staff (who have worked in the school for more than two years) to be given priority as part of the admissions criteria. We believe that by changing the admissions criteria to reflect this priority, staff would remain in our schools by being able to access wrap around care in order to facilitate the struggles currently faced with affordable childcare costs.
Parent	Parents need a better understanding of catchment areas - also link that map to the holding lot bidding system so parents are informed- maybe also GP catchment areas. Give subscription-priorities, still need to make a note to support wondering parents and give them a priority place.
Unspecified	Parents need a better understanding of catchment areas - also link that map to the housing list bidding system so parents are informed - maybe also GP catchment areas. Oversubscription - priorities, still need to make a note to support working parents and give them a priority place.
Parent	Great to have a more organized and centralised system. Cleaner for parents in terms of dates, offers and selection.
Parent/Governor	More in one system.

### Local Authority Response

The oversubscription criteria for Community Primary Schools are administered by the Authority's School Admissions Team not by individual schools. This ensures that the process is fair and consistent. The Authority uses an ICT system that enables it determine if the school applied for is the nearest school and whether or not the school is in the address catchment area.

The Authority recognises the challenges currently faced by primary schools in being able to recruit and retain teaching staff. It will therefore consult on introducing a new criterion giving priority admission to children of staff for the admissions in the 2019/20 school year. It is necessary for parents, schools, religious authorities, the local community and neighbouring local authorities to have opportunity give their views and comments on what would be a significant change.

The Authority's website: [www.towerhamlets.gov.uk/equalchance](http://www.towerhamlets.gov.uk/equalchance) has been designed to provide parents with an understanding of school catchments areas and how they are used for the purpose of school admissions. The 'Starting School' booklet is provided to inform parents about the schools in the area as well as help them with the school application process. There is also opportunity for parents to seek further advice and assistance from the Authority's School Admission Team and the School Choice Advisers provided through the Parental Engagement Service.

<b>Question Three: Proposed Arrangements and Oversubscription Criteria for Admission to Community Secondary Schools.</b>	
<b>Respondent</b>	<b>Comments</b>
Parent	It is not a fair process.
Other	We would like to see a priority area created for Bow, east of Grove Road, north of Mile End Road as this area is currently under-served by secondary schools. There is no mixed school in this area although currently Bow School is able to take many pupils from this area. As it fills up, parents will once again face the problem that they are further away from any other mixed secondary than anyone else from the borough. We would argue for a priority admission zone to Morpeth as those living to the west of the school have the choice of several other schools while those living to the east have none.
Parent	It seems fair.
Parent/Governor	It's fair for the local residents to get in for the criteria.

#### **Local Authority Response**

The Authority has previously considered whether or not there is a need to implement a designated priority admission zone for Morpeth School or another school in or around the Bow area. The detailed analysis included an equalities impact assessment on the effects of the relocation of Bow School and its change of designation from a single sex to a mixed (boys and girls) school. The results determined that children living in Bow were able to access a nearby school and most were able to be placed at either Morpeth or Bow School. The Authority is not therefore considering the introduction of a priority admission zone for Morpeth School at this time.

#### **Question Four: Proposed schemes for co-ordinating both Year 7, Year 3 and Reception Year admissions.**

<b>Respondent</b>	<b>Comments</b>
Parent	Gives parents more choice.
Unspecified	Ease of filling one form.
Parent	Once again it is more organised. Parents may not understand how things work, but it seems like a fair system.
Parent/Governor	It's good for the local people and residents to go the local area and not to travel.

#### **Local Authority Response**

It is evident that, over the years, the system of co-ordinated admissions has led to better outcomes for Tower Hamlets residents. Firstly, resulting in significant increases in the percentage of families who are able to secure a place at a preferred school. Secondly, by ensuring that all children are able to secure a school place at the earliest opportunity.

<b>Question Five: Do you agree with the Proposed Schemes for the Co-ordination of in-year admissions</b>	
<b>Respondent</b>	<b>Comments</b>
Head Teacher	This system needs to be improved to provide more accurate information for schools about pupils transferring in and out.
Parent	It is a fair process.
Parent	If it works.
Unspecified	In year should maybe be controlled by the school. Currently council totally decides where to place child and that may not be convenient for families. Sometimes the school tells parents they have places but council does not give place. In year system does not work.
Parent	Organised and fair.
Parent/Governor	It's good to keep the record so the Local Authority can ensure the children are at the school.

#### **Local Authority Response**

The ICT system that allow schools to view their applications, update their vacancy information and monitor the movement of pupils in and out is being improved to ensure that schools have access to the most up to date and accurate information.

In-year admission arrangements are coordinated centrally to ensure that school places are allocated systematically and that the process is fair to all families, especially those with children who are considered vulnerable and at risk of not having early access to educational provision. Experience has found that these outcomes are less achievable when admissions are administered by schools themselves.

#### **Question six a, b and c: Planned admission numbers for schools in Tower Hamlets in 2018/19**

<b>Respondent</b>	<b>Comments</b>
Head teacher	Schools with half form entries are often have to open classes for very small numbers. In the current financial climate this is a liability especially when some nearby schools are not filling their forms of entry. There needs to be better consideration at LA level of the impact on half form entries and whether resources can be better allocated.
Parent	Yes there should be flexibility in relation to changes in demand.

#### **Local Authority Response**

The Authority makes periodic modifications to its school place planning strategy, based on projected future changes in the pupil population and the Council's planned developments to increase its school place capacity. This Strategy will also take account of the addition of new schools in the Tower Hamlets area through the Government's free school approval process. The Authority will consider how it can lessen the impact of these and other factors on schools with half form entries

<p><b>Cabinet Decision</b></p> <p>7 February 2017</p>	
<p><b>Report of:</b> Aman Dalvi, Corporate Director, Place</p>	<p><b>Classification:</b> Unrestricted</p>
<p><b>Accommodation and Space Management Policy</b></p>	

<b>Lead Member</b>	Councillor David Edgar, Cabinet Member for Resources
<b>Originating Officer(s)</b>	Ann Sutcliffe Divisional Director, Property & Major Programmes
<b>Wards affected</b>	All Wards
<b>Key Decision?</b>	No
<b>Community Plan Theme</b>	One Tower Hamlets

## Executive Summary

This report sets out the Accommodation and Space Management Policy that has been developed by the Property & Major Programmes service, which acts as the corporate landlord.

The Accommodation and Space Management Policy is fundamental to the council's Asset Strategy and this policy aims to ensure that the council achieves the most efficient estate possible while ensuring that the accommodation is appropriate to meet the needs of all staff, elected members and residents. This policy is designed to ensure that space is allocated according to need.

## Recommendations:

The Mayor in Cabinet is recommended to:

1. Note and endorse the Accommodation and Space Management Policy (Appendix 1);
2. Note and endorse the policy context set out in section 3.3 of the report; and
3. Note that this report marks the completion of one of the actions in the property section of the Best Value Action Plan as set out in section 3.4.

## **1. REASONS FOR THE DECISIONS**

- 1.1 To ensure accommodation is used in the most efficient and effective way, and in a manner that recognises the cost of it.
- 1.2 To strengthen the governance arrangements in relation to the recharging of services for accommodation as well as any office moves.
- 1.3 To complete the action in relation to the 'asset rental account' on the Best Value action plan, agreed by the authority's Executive on 4<sup>th</sup> March 2015.

## **2. ALTERNATIVE OPTIONS**

- 2.1 The alternative option would be to not note and endorse this report. However, the council is keen to introduce more rigour to the use, allocation and charging process for accommodation.
- 2.2 In addition, not agreeing this report would mean an action on the Best Value action plan remains outstanding.

## **3. DETAILS OF REPORT**

### **3.1 Accommodation and Space Management Policy**

- 3.1.1 The Accommodation and Space Management Policy is fundamental to the council's Asset Strategy and this policy aims to ensure that the council achieves the most efficient estate possible while ensuring that the accommodation is appropriate to meet the needs of all staff, elected members and residents. This policy is designed to ensure that space is allocated according to need.
- 3.1.2 However, the vast majority of the policy is codifying current custom and practice, rather than introducing new systems and processes. The council already has a process for recharging for property and assessing and approving business cases for moves. The production of this policy – which will be placed on the staff intranet – will allow managers to better understand their roles and responsibilities in relation to the use of property as well as making the process more transparent for staff.



- 3.1.3 Office accommodation within the council's estate is one of the most expensive resources that services use and therefore inefficient use results in increased occupancy costs, and the potential for costly operational inefficiencies.
- 3.1.4 The council recharges the full cost of support services and facilities to the relevant service area. This is done to comply with accounting practice, to ensure that services reflect 'true' costs, i.e. include costs from supporting service areas, and to ensure that comparisons can be made between authorities.
- 3.1.5 The council follows the standards set by the Chartered Institute of Public Finance and Accountancy (CIPFA) and defined in the CIPFA Service Reporting Code of Practice (SeRCOP) in order to ensure that the accounting standards are followed accurately and to support the council's requirements to achieve best value.
- 3.1.6 The policy has been developed to provide a clear and coherent framework for decision-making about the utilisation of the council's estate.
- 3.1.7 Responsibility for space provision, allocation and maintenance lies with the Facilities Management service and any changes to the use of space or occupancy are subject to the Asset Management & Capital Strategy Working Group and Board governance processes.

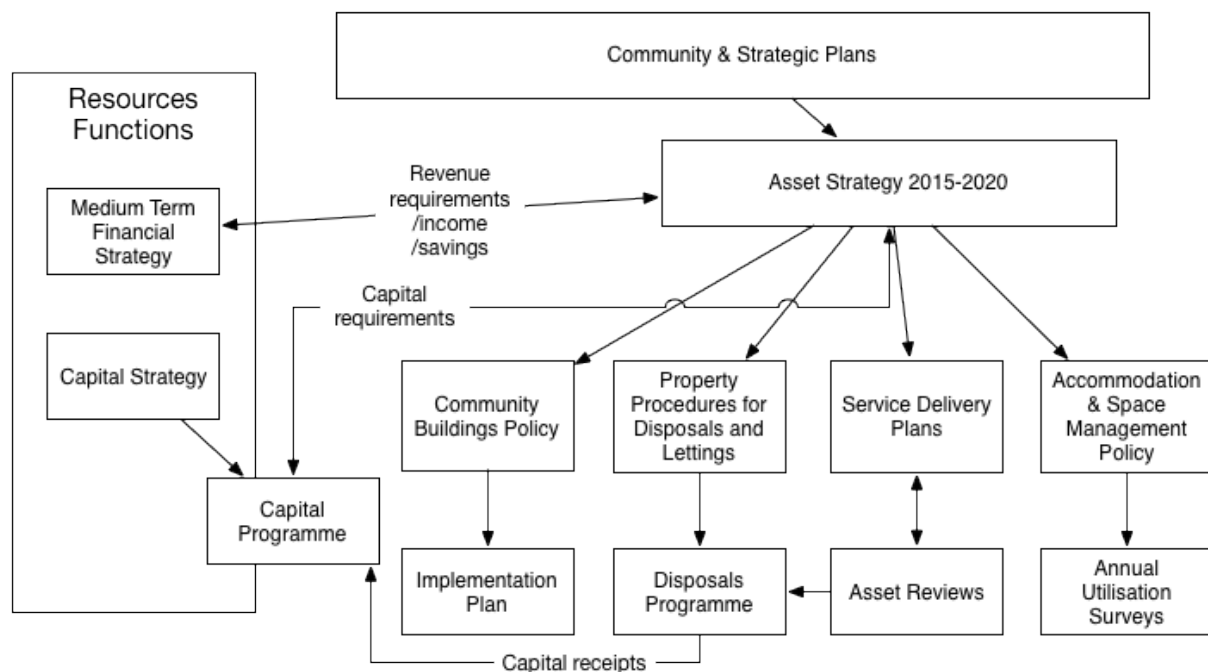
## 3.2 **Implementation**

- 3.2.1 In order to implement the recharging proposals for the 2017/18 financial year, the Property & Major Programmes service have commissioned an utilisation survey in order to update the property records that identify how much space each service occupies.
- 3.2.2 The service will also update the total overhead figure that is to be recharged. This will be calculated in line with the CIPFA Service Reporting Code of Practice (SeRCOP) in order to ensure that the accounting standards are followed accurately.
- 3.2.3 The general principle is that all overheads, including accommodation (support services) and service management costs should be fully recharged.
- 3.2.4 Once the total overhead figure is identified, and the utilisation survey completed and updated, this will allow the total overhead figure to be apportioned on a directorate-by-directorate basis at the beginning of the financial year. Utilisation surveys will then be updated on a regular basis.

3.2.5 Any office moves will need to go through the process described in the policy. This will ensure there is a more holistic look across the council's estate before a move is authorised and will ensure valuable real estate is used in an efficient and effective way. This will also allow the apportionment figure to be updated in-year, if required, as the records of all the moves will set out any increases or decreases in space on a service-by-service basis.

### 3.3 Policy context

3.3.1 The diagram below sets out the relationship between the Accommodation & Space Management Policy and other key documents and processes.



3.3.2 The council's most recent Outline Strategic Plan for 2016 to 2019 was adopted by the Mayor in Cabinet in April 2016. This sets out the strategic priorities for the council, including an enabling objective of 'a transformed council, making best use of resources and with an outward facing culture'.

3.3.3 There are two strategic activities under that enabling objective that this policy contributes to:

- Make best use of council resources through effective procurement, exploiting the value and use of assets and maximising income from local growth

- Deliver an organisational transformation programme to ensure effective, responsive front line services and efficient, cost-effective support services, enabled by ICT and including a new civic centre

3.3.4 The Accommodation and Space Management Policy contributes to both of these strategic activities by ensuring the council maximises the use of its assets while also helping to drive down costs.

3.3.5 These reductions in cost will contribute to the council's savings targets and, in turn, the Medium Term Financial Strategy. It should be noted that report does not deal with capital budgets or expenditure as the internal recharges are against revenue budgets.

3.3.6 In addition, the policy also supports the principles contained in the Asset Strategy 2015-2020.

3.3.7 The council is also currently developing an Accommodation Strategy and this will be presented to the Mayor in Cabinet in the summer. The strategy will set out a plan for reducing both the amount of space occupied, the cost of maintaining this space and also how the management of the estate will align with the move to the new civic centre in Whitechapel.

3.3.8 The recharging mechanism described in the policy will also apply in the new civic centre in Whitechapel. Services will be recharged for the space they occupy through the mechanism described in the policy. This includes the charging principles in relation to accommodation for non-council staff.

#### 3.4 **Best Value Action Plan**

3.4.1 This policy also addresses one of the council's agreed actions in the Best Value Action Plan, submitted to the Secretary of State for Communities and Local Government in March 2015. The action plan required the council to consider the introduction of an asset rental account; whereby services and property occupiers are charged for the space they occupy.

3.4.2 This is set out in section 7 (Accommodation Recharging) of the policy document.

3.4.3 Discussions have taken place with the Commissioners, who have welcomed the policy.

#### **4. COMMENTS OF THE CHIEF FINANCE OFFICER**

- 4.1 This report asks the Cabinet to note the proposed Accommodation and Space Management Policy which has been compiled as part of the corporate landlord model. Many of the practices outlined are already adopted by the council, however the policy collates these all into a single document.
- 4.2 The council incurs significant accommodation related costs, which the accommodation and asset strategies, in conjunction with the medium term financial strategy, are aiming to reduce. This is being undertaken through various projects, including the relocation to a new civic centre in Whitechapel, the review and disposal of surplus buildings, and the more efficient use of retained buildings to ultimately generate a cost saving to the council. The adoption of the policy will support future decisions, including those that will be taken by Council in respect of the accommodation requirements for the new civic centre.
- 4.3 Section 7 of the policy sets out the principles for recharging services for accommodation and other support services. These methods are already currently adopted by the council in accordance with the various accounting standards, and are necessary to maintain consistency in treatment between local authorities and to ensure that the full costs of services are published in a transparent manner.
- 4.4 As part of the council's Best Value Action Plan that has been approved by the Secretary of State for Communities and Local Government it was agreed that the introduction of an asset rental account would be considered to ensure that both council services and other users are charged for the space that they occupy. This is addressed in the policy and its introduction should ensure that, where accommodation is utilised by external organisations, income is generated from them on an appropriate basis.

The endorsement of the policy context as set out in recommendation 2 of this report, will be subject to the detail of the relationship between the MTFs and the Asset Management strategy and related documents being clearly set out. This will include clarity regarding the respective roles and responsibilities of lead officers as part of the Council's governance arrangements for the Capital Strategy.

#### **5. LEGAL COMMENTS**

- 5.1 The Council is a best value authority within the meaning of Part 1 of the Local Government Act 1999. As a best value authority, the Council has an obligation under section 3 of the Local Government Act 1999 to "make

arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness” (the best value duty).

- 5.2 Where the Secretary of State is satisfied that an authority is not meeting its best value duty, the Secretary of State may: (1) direct the authority to take action to bring itself into compliance with that duty; (2) direct that specified functions be carried out by the Secretary of State or a nominee and that the authority follow the Secretary of State’s instructions and provide such assistance as may be required (Local Government Act 1999). In accordance with this power the Secretary of State gave directions to the Council on 17<sup>th</sup> December 2014, 29<sup>th</sup> April 2015 and 6<sup>th</sup> May 2015.
- 5.3 As part of the Directions, the Council was required to prepare a Best Value Strategy and Action Plan to address certain deficiencies. This was approved by the Mayor and Cabinet on 4<sup>th</sup> March 2015 and subsequently agreed by the Commissioners and sent to the Secretary of State. One of the areas addressed in the Strategy and Action Plan was for the Council to consider the introduction of an asset rental account; whereby services and property occupiers are charged for the space they occupy. This proposed Accommodation and Space Management Policy has been produced in response to that action and to achieve compliance with that part of the Best Value Strategy and Action Plan and to comply with the Council’s best value duty.
- 5.4 When taking action in response to the directions, 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). Compliance with this duty has been a feature, to the extent relevant, of the Council’s action in response to the directions.

## **6. ONE TOWER HAMLETS CONSIDERATIONS**

- 6.1 Council buildings are important assets that are used for service delivery. This is recognised in the Strategic Plan, which identified the use of assets as a key enabler of the council’s strategic priorities.
- 6.2 The provisions within this policy, alongside the suite of documents set out in the policy context section (section 3.3), will ensure council services have the appropriate facilities from which to operate while also securing savings and

potentially income to allow funds to be released and then applied to other council priorities.

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

- 7.1 The Best Value duty requires the council to 'make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness'. The proposals contained within this policy satisfy that duty as the proposals have regard to all of those factors.
- 7.2 The implementation of the recharging policy, and the proactive management of accommodation, will ensure the council's estate is economical, is efficient and provides value for money, while also ensuring it is fit-for-purpose.
- 7.3 In addition, following a Best Value inspection in 2014, the Secretary of State issued Directions to the council which included the requirement to draw up an action plan that would demonstrate the council's continued compliance with the Best Value duty. As part of that action plan, the council agreed to consider the introduction of an 'asset rental account' model (see section 3.4).
- 7.4 The council has considered the proposal to introduce such an accounting method for properties and set out the 'asset rental account' in section 7 of the policy. In doing so, the council has satisfied one of the actions in the Best Value action plan.

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

- 8.1 The proposals in the policy – and an overarching objective of the council's Asset Strategy 2015-202 – is to drive down the size of the council's estate by rationalising and making more efficient use of the council's estate. This will mean the council's estate will be generating fewer carbon emissions.

## **9. RISK MANAGEMENT IMPLICATIONS**

- 9.1 Officers will be considering the risks associated with this policy as part of its implementation. The specific key risks are that the correct utilisation rates are not captured or that the true costs are not captured, resulting in an incorrect apportionment to services. This will be managed by ensuring the utilisation survey is proactively managed to ensure it captures the actual utilisation of

space. In addition, the service will work closely with finance colleagues to ensure the true overhead cost is captured.

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

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

## **11. SAFEGUARDING IMPLICATIONS**

11.1 There are no immediate safeguarding implications arising from this report.

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### **Linked Reports, Appendices and Background Documents**

#### **Linked Report**

- None

#### **Appendices**

- Appendix 1 – Accommodation and Space Management Policy

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

- None.

#### **Officer contact details for documents:**

Nadir Ahmed, Executive Officer, Property & Major Programmes, 020 7364 2037

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# **Accommodation and Space Management Policy**

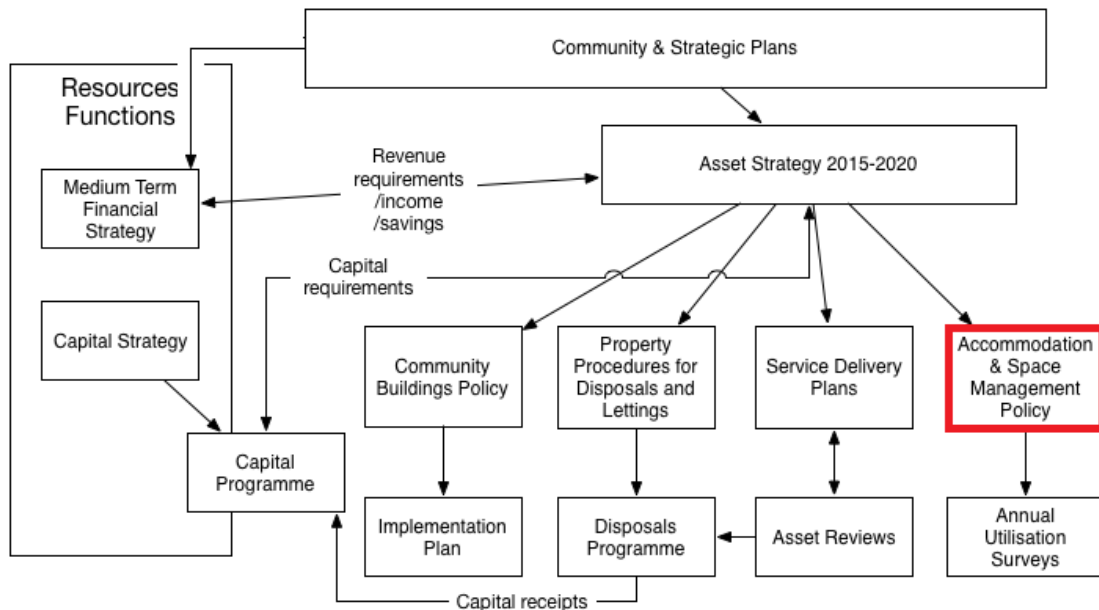
**January 2017**

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## 1.0 Introduction

- 1.1 Office accommodation within the council's estate is one of the most expensive resources that services use and therefore inefficient use results in increased occupancy costs, and the potential for costly operational inefficiencies.
- 1.2 The Accommodation and Space Management Policy is fundamental to the council's Asset Strategy and this policy aims to ensure that the council achieves the most efficient estate possible while ensuring that the accommodation is appropriate to meet the needs of all staff, elected members and residents. This policy is designed to ensure that space is allocated according to need.
- 1.3 The council recharges the full cost of support services and facilities to the relevant service area. This is done to comply with accounting practice, to ensure that services reflect 'true' costs i.e. include costs from supporting service areas, and to ensure that comparisons can be made between authorities.
- 1.4 To ensure that the accounting standards are followed accurately and to support the council's requirements to achieve best value the council follows the standards as set by Chartered Institute of Public Finance and Accountancy (CIPFA) and defined in the CIPFA Service Reporting Code of Practice (SeRCOP).
- 1.5 The policy incorporates best practice from central government (National Audit Office) and contains space standards recommended by the Health & Safety Executive (HSE).
- 1.6 The policy has been developed to provide a clear and coherent framework for decision making about the utilisation of the council's estate. The responsibility for managing the functions within the allocated space resides with the council's Facilities Management service.
- 1.7 Responsibility for space provision, allocation and maintenance lies with the Facilities Management service and any changes to the use of space or occupancy are subject to the Asset Management & Capital Strategy Working Group and Board governance processes.
- 1.8 The council is currently developing an Accommodation Strategy which will be presented to the Corporate Management Team (CMT) in February 2017. The strategy will set out a plan for reducing both the amount of space occupied, the cost of maintaining this space and also how the management of the estate will align with the move to the new civic centre in Whitechapel.
- 1.9 This version supersedes any previous versions of this document.
- 1.10 The diagram below sets out how the Accommodation & Space Management Policy fits in with the council's Asset Strategy, Strategic Plan and other strategies and policies; and also how it relates to the Medium Term Financial Plan and budget setting process.



## 2.0 Purpose of this Policy

- 2.1 The aim of the policy is to provide a method of managing space within the council's estate, allocating and re-allocating space between departments and services in order to make maximum use of all available space. It will also enable the council to use space more effectively and reduce the size of the estate where possible. This will allow for the older, inefficient buildings to be vacated for mothballing, disposal, re-use or demolition.
- 2.2 The objective of the policy is to provide a framework for the management of all accommodation in order to ensure the available space is fit-for-purpose, complies with statutory and non-statutory recommended standards and its use is maximised. The policy supports the principles contained in the Asset Strategy and is intended to support innovation and new ways of working.
- 2.3 The council's Accommodation Strategy will set out how the administrative offices will change over the next five years as the council plans its move to the new civic centre in Whitechapel. The strategy will also set out targets for reducing cost and energy consumption over the same period for the estate.

## 3.0 Scope

- 3.1 This policy applies to all members of staff (regardless of status or grade) and elected members located at any of the council's administrative building; i.e. Mulberry Place, John Onslow House, Albert Jacob House and Jack Dash House.
- 3.2 Every employee and elected member of the council has an obligation to ensure that the available resources are effectively utilised and this principle applies equally to the use of accommodation.
- 3.3 In order to comply with this policy, all staff and members must be aware of the lines of communications and levels of responsibilities which exist to ensure

that all matters of accommodation allocation are dealt with efficiently and effectively.

## **4.0 Ownership and Responsibilities**

### **4.1 Role of the Divisional Director, Property & Major Programmes**

4.1.1 The Divisional Director, Property & Major Programmes, has delegated responsibility for matters relating to accommodation within the council. This includes ensuring that all properties are well utilised and managed effectively. They will be responsible for ensuring that accommodation is safe and fit-for-purpose and that the appropriate investment decisions are made, based upon an assessment of priorities, and guided by this policy and the council's Asset Strategy.

### **4.2 Role of the Asset Management and Capital Strategy Board**

4.2.1 The Asset Management & Capital Strategy Board (referred to as the Asset Management Board in this document) will manage this policy, dealing (where appropriate) with change requests and managing agreed objectives to optimise the estate and reduce costs where appropriate.

### **4.3 Role of the Facilities Management Service**

4.3.1 Facilities Management are responsible for the implementation and monitoring of this policy, ensuring that:

- All accommodation is reviewed on a regular basis, in line with the guiding principles of occupation outlined in this policy.
- Risk assessments in relation to accommodation, and health and safety in the workplace regulations, are carried out, recorded and reviewed regularly.
- Accommodation management procedures and safe working practices resulting from them are produced, documented and implemented.
- Where departments recruit additional members of staff appropriate workspace/office space is identified in advance of them starting.

4.3.2 The Facilities Management service will maintain records of current allocation of space to divisions and departments on the council's electronic property management system (TF Cloud). This information will be made available to any division or department on request.

4.3.3 The Facilities Management service will make this information available to the Place Directorate Finance Manager to enable the inclusion of directorate re-charging in the annual budget setting process (as managed by Corporate Finance).

### **4.4 Role of the Workplace Support Manager**

4.4.1 The Workplace Support Manager will work with services and directorates to facilitate moves as required by the Asset Management Board. The

Workplace Support Manager will also be responsible for the utilisation surveys and reporting the results to the Asset Management Board.

## **5.0 Standards and Practice**

### **5.1 Accommodation**

- 5.1.1 The council aims to meet statutory and professional requirements and guidelines on accommodation for all staff, members and services.
- 5.1.2 Space or accommodation is not owned by specific departments or services. It is council property, managed by the Property & Major Programmes Service, and all staff and members must be prepared to relocate if it is judged to be of benefit to the organisation.
- 5.1.3 The cost of occupation is to be disaggregated to directorates and then service level. Any savings arising from changes to occupation will be attributed to the General Fund as appropriate and captured as a corporate saving.
- 5.1.4 The establishment of generic space should be encouraged and shared between directorates and services wherever possible.
- 5.1.5 Occupation of accommodation is based on the principles detailed here.
- 5.1.6 Open plan offices will be considered the norm of provision. Where these are provided, the council will ensure that the necessary ICT and telephony is available and that there are sufficient spaces available for quiet working, team working and private meetings.
- 5.1.7 Individual offices will be allocated on the requirements of the post and subject to consultation with the relevant Director and Asset Management Board approval.
- 5.1.8 The desk to staff ratio for back-office functions will be 6:10 and working space will 8-10m<sup>2</sup> per person.
- 5.1.9 Staff members whose work patterns mean they do not fully utilise a desk or office will be required to use designated hot desk areas.

### **5.2 Meeting Rooms**

- 5.2.1 All meeting rooms within the council are considered a shared resource.
- 5.2.2 The Facilities Management service manages the booking and monitoring of meeting room usage.

### **5.3 Flexible Working/Mobile Working**

- 5.3.1 As part of the council's objective to improve the working lives of staff flexible working patterns and mobile working should be considered if appropriate to the role the individual performs.

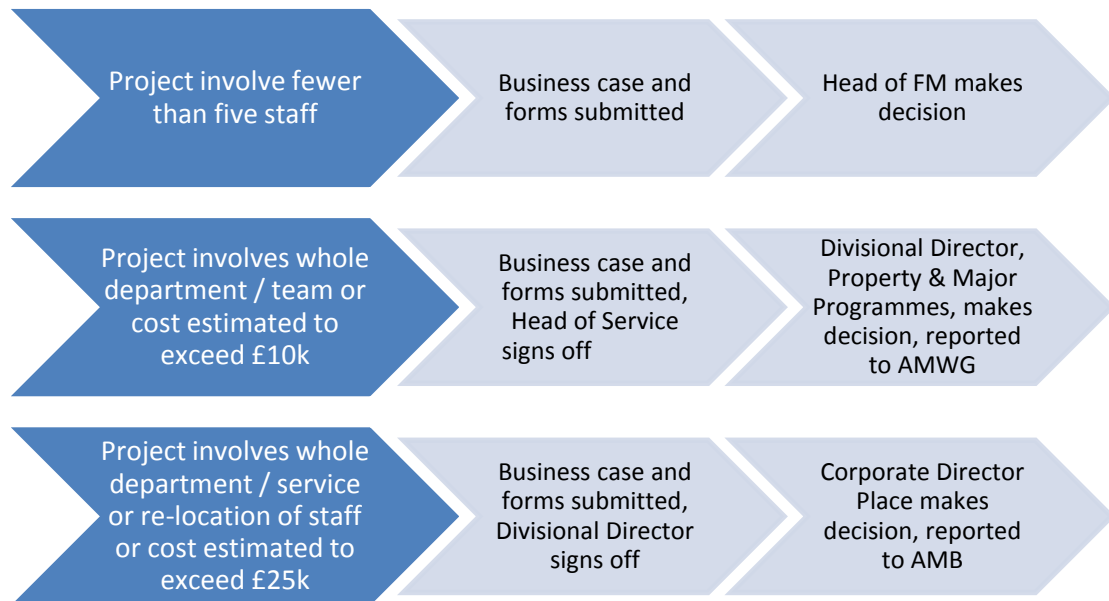
- 5.3.2 For guidance on occasional mobile working please refer to the council's [Smarter Working Policy](#) that can be found in the Human Resource section of the council's intranet.

#### **5.4 Accommodation for Non-Council Staff**

- 5.4.1 Accommodation for non-council staff or departments can be allocated for operational reasons, although this will not be considered unless space is available.
- 5.4.2 The use of this space will be charged at an appropriate rate taking into account whether the co-location delivers a cashable saving to the council or any additional costs arising from the provision of the space.
- 5.4.3 Allocation will be subject to Asset Management Board and, if appropriate, Corporate Management Team (CMT) approval.
- 5.4.4 All space occupied by non-council staff or departments will be subject to a formal legal agreement.

#### **6.0 Process for Change**

- 6.1 All requests for space, changes of use, bids for, or requests for additional space by departments, whether they involve building alterations or not, will be managed under this policy and subject to approval.
- 6.2 The Asset Management Board will have overall responsibility for the optimisation of space and will ensure building/room allocations are based on need and corporate objectives.
- 6.3 Any directorate or service requesting changes in accommodation are to use the process outlined below and complete the request form and business case at Appendix A.
- 6.4 Where funding is required, the directorate's finance business partner must provide cost centres for charging. This expenditure must be authorised by the budget holder for the cost centre.



- 6.4 Before submitting a new business cases, services seeking a move may find it useful to have an initial discussion with the Head of Facilities Management.
- 6.5 The formal request should be sent to the Workplace Support Manager and will be acknowledged in writing within five working days. Where appropriate, the Asset Management Working Group or Board will discuss the request at their next meeting.
- 6.6 Where necessary, in conjunction with the Service Manager, the council's Health and Safety team will be asked to carry out an assessment to determine any potential issues with the proposal.
- 6.7 The Asset Management Working Group and / or Board will consider:
- How the proposal fits into the service strategy and Asset Strategy;
  - The feasibility of the proposal;
  - Alternative options for satisfying the requirement; and
  - Whether capital or revenue funding will be required.
- 6.8 The Asset Management Working Group and / or Board will recommend whether:
- The proposal is feasible; or
  - There is a better alternative; and if
  - The proposal needs to be the subject of a capital bid (this will be subject to the capital bid process and procedure).
- 6.9 Once a change has been agreed details of the move will be passed to the Workplace Support Manager who, working with the manager who requested the change, will manage all aspects of the move.
- 6.10 Where there are to be major changes, such as reshaping or relocation of whole departments, these will constitute capital projects which must follow the council's process for capital bids. Consideration will need to be given to any requirements under the council's Handling Organisational Change Policy



6.11 Neither the Facilities Management team nor the Asset Management team will carry out any accommodation moves unless they have been authorised through this process.

#### **6.12 Asset Management Board**

6.12.1 The Asset Management Board will consider all submitted applications for change. Decisions will be made after due consideration of all the issues arising from the request.

6.12.2 It will base its judgments on the merits of the proposal in relation to the service strategy and priorities, how it matches with the Asset Strategy and any capital and revenue consequences.

### **7.0 Accommodation Recharging**

7.1 The council has a policy of recharging the full cost of support services and facilities to the relevant service area. This is done to comply with accounting practice, to ensure that services reflect 'true' costs i.e. include costs from supporting service areas, and to ensure that comparisons can be made between authorities.

7.2 The general principle is that all overheads, including accommodation (support services) and service management costs should be fully recharged to the service expenditure headings defined in the CIPFA SeRCOP.

7.3 Gross total cost includes all expenditure attributable to the service/activity, including employee costs, expenditure relating to premises and transport, supplies and services, third party payments, transfer payments, support services and depreciation. Total cost must also be used for reporting the cost of services in the Comprehensive Income and Expenditure Statement.

7.4 Recharges in themselves do not add to the overall costs of the council as they are an internal transfer of costs already incurred. As a result, provided that the direct costs of all services are reviewed as part of the service review process, then all of the council's budgets will have been reviewed. If efficiencies are identified as part of these reviews, meaning that fewer tasks or reports are required, costs will fall, the recharge of these costs will also fall and so the net cost to the council is reduced.

7.5 Recharges need to be considered when services carry out their benchmarking exercises against other authorities in order to ensure the full costs (including support) have been assessed. However, recharges form just one element of further investigation that is needed to understand the costs of a service.

7.6 Recharging provides a means for service managers to challenge colleagues for the cost of a service provided. The corporate business planning process provides service managers with the forum to challenge those costs.

#### **7.7 Methodology and Principle**

- 7.7.1 When making recharges, in accordance with criteria at 7.3 above, they should be charged across users and other beneficiaries in accordance with the seven general principles within the CIPFA SeRCOP and shown in Table 1.

<b>Principle</b>	<b>Recommended Approach</b>
Complete recharging of overheads	All overheads not defined as unapportionable central overheads or costs of democracy should be fully recharged to service areas.
Correct recipients	The system used must correctly identify who should receive overhead charges.
Transparency	Recipients must be clear about what each recharge covers and be provided with sufficient information to enable them to challenge the approach being followed.
Flexibility	The recharging arrangements must be sufficiently flexible to allow recharges to be made regularly enough and to the level of detail appropriate to meeting both users' and providers' needs.
Reality	Recharging arrangements should result in the distribution of actual costs based on fact. Even if the link cannot be direct, reality should be the main aim.
Predictability/stability	Recharges should be as predictable as possible, although there will be practical limitations to this.
Materiality	It is unlikely that a simple system will be adequate to meet all other requirements noted above. However, due regard should be given to materiality to minimise the costs involved in running the system.

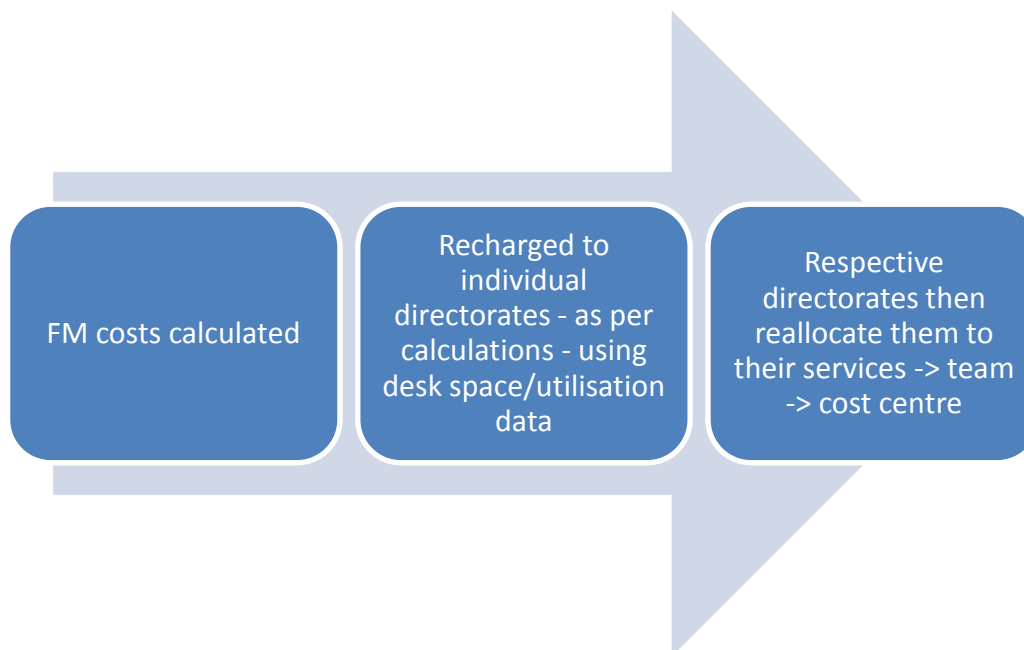
**Table 1 Recommendations for charging of overheads to service users**

- 7.7.2 It is important that the bases of charges are given in a sufficient level of detail to be worthwhile and meaningful. However, there are levels of detail below which it may not be sensible to go, as it is not good practice to spend undue time or other resources in getting unnecessarily precise figures. A balance must always be made between the time taken to complete the allocation of costs and the level of accuracy to ensure there are no distortions in the comparisons of service costs with other local authorities.
- 7.7.3 The overall costs of administering the recharge system are kept down by only carrying out the exercise annually and making use of officer time estimates (see para 7.8.7), rather than utilising a formal time recording system. The recharge allocation process itself is a significant task for the finance team at year-end, but the burden on service areas is minimised.
- 7.7.4 There are a number of charging methods, depending on the costs to be recharged, e.g. time allocation, head count, floor space occupied.

## **7.8 How Recharges are Calculated**

- 7.8.1 To understand how recharges are calculated it is important to understand the rationale for the charges. This section provides an explanation of the process and procedure.

- 7.8.2 Government and accounting standards require service accounts to show the full cost of providing those services, including 'back office' support activities. All administrative costs must therefore be charged to frontline services. The recharges are as much a part of the service as the front-line providers' costs. A proportion of the time (and therefore cost) of the relevant service manager and head of service is also charged.
- 7.8.3 The staff and associated costs recharged are in respect of staff based in the administrative offices and their associated requirements (furniture, equipment, ICT, etc.) These include central and departmental overheads in the directorates.
- 7.8.4 Costs are controlled at departmental level in the budgets for business units, (e.g. HR/Payroll Services, Finance, Facilities Management, ICT) rather than in the services that they are recharged to.
- 7.8.5 Recharges are calculated and charged annually based on actual costs of services in line with the Service Reporting Code of Practice. There is a two-stage process for calculating recharges:
- Firstly all the central services that are being recharged, charge each other as necessary. This could be, for example, Payroll Services being charged ICT costs for supporting the payroll computerised system and ICT being charged for accountancy support in preparing budgets. In this example, Payroll Services will have a charge for ICT and this charge would then become income for ICT. The total cost of ICT would increase by its charge for accountancy services less the income from Payroll Services.
  - Secondly all the central services costs, which include the costs of recharges in from other central services and income from other central services, are charged to the rest of the organisation.
- 7.8.6 The flow diagram below sets out at a high level the process for re-charging space in administrative offices.



- 7.8.7 Where costs are directly attributable to particular services, these are charged to that service (for example, legal work on a specific lease). The remaining costs are then apportioned by either:
- time allocation - percentages are applied to the actual salary costs together with any departmental running costs to allocate them to services;
  - number based - where the central service is more of a function e.g. payroll, payments or ICT, the costs of these activities are recharged to services based on relevant data i.e. headcount, transactions processed in the accountancy system, number of computers;
  - area occupied – office accommodation is charged out based on the floor space occupied or number of desks allocated to a service area.

## **8.0 Monitoring Compliance and Effectiveness**

- 8.1 The Divisional Director, Property & Major Programmes, has overall responsibility for ensuring that space is efficiently used, recharges are fair and proportionate and that all governance processes are followed.
- 8.2 The use of office accommodation is recorded in Computer Assisted Drawings (CAD) and kept on the council's asset management system TF Cloud. The drawings are updated every time a move occurs. Each office building is inspected at least annually to ensure that drawings are accurate.
- 8.3 To ensure that space is being used efficiently a full utilisation study is conducted on a regular basis to record how space is being used. The results of this survey will be reported to the Asset Management Board and, if the Corporate Director, Place, deems it appropriate, to the council's Corporate Management Team.
- 8.4 The Facilities Management team will monitor the cost of each administrative building per square meter and per desk in order to benchmark costs both within the council and against similar organisations and national indices that are available via British Institute of Facilities Management. The data will also be used to identify trends in cost/use and to enable ongoing targets to be set for reductions in overheads and energy consumption.

## **9.0 Accommodation Strategy**

- 9.1 As referenced earlier in this document the council is developing an Accommodation Strategy that will cover the next five years, up to the move to the council's new civic centre in Whitechapel. The strategy will set out how the administrative office space will be reduced and also sets out the targets for reducing cost, energy consumption and creating a planned preventative maintenance regime that supports the long term Asset Strategy.
- 9.2 The Accommodation Strategy will reflect the council's ICT strategy and also set out any target cost reductions will contribute to the council's medium term financial strategy.

- 9.3 A set of projects will be included within the Accommodation Strategy setting out specific activities that will reduce the overall cost of running the administrative estate, reducing energy consumption and reducing the overall space occupied by both meter squared and per head.

## **10.0 Updating and Review**

- 10.1 The policy will be reviewed on a regular basis, with an eye to any developments such as legislative changes, national policy instruction (DCLG), or at the request of the Chief Executive or council's elected Mayor.

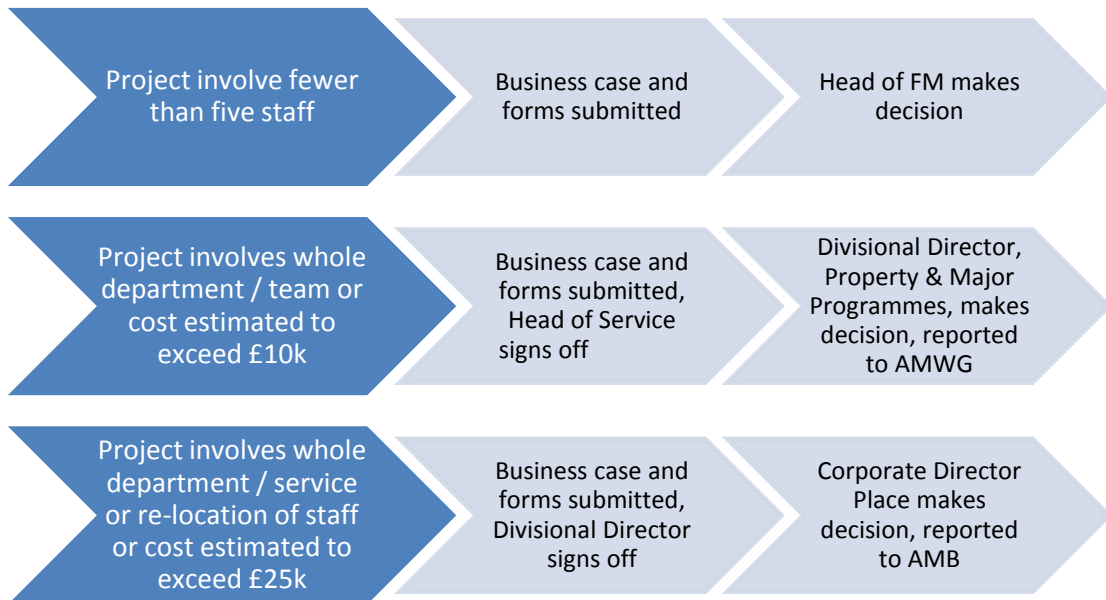
## Appendix A

### Moves Procedure

1. The council has agreed a number of policies to support flexible working. All desks are classed as “hot desks” and currently allocated on the basis of 6:10. To support this, each desk is equipped to enable most users to work at different council locations without the need to move any equipment.
2. All moves need to be agreed in advance and recorded in order that we can monitor the use of the council’s accommodation. Moves will only be agreed if they:
  - Conform to the council’s accommodation strategy and accommodation policies
  - Continue the reduction in overall office accommodation and costs
  - Locate back office functions and non-geographically specific services in core buildings
  - Consolidate services within office accommodation to maximise usage and release of other property for disposal or alternative uses.
3. The standard council workstation environment is:
  - Desk
  - Mira chair
  - Wyse box (or similar thin client) or PC
  - Flat panel monitor on stand
  - Keyboard
  - Mouse
  - Software that is downloaded as part of your user profile when you login
  - Telephone with facilities that can move if you log in to another phone.
4. Any other facilities will only be provided if a business case is submitted and approved by FM and ICT or if a need is identified following a workstation risk assessment (e.g. Display Screen Equipment assessment). Any additional costs arising from the requirement for non-standard facilities will be charged to the cost centre provided as part of the business case.
5. Shared storage (tambour units) and personal lockers are not normally moved, nor are any more allocated unless a business case is provided.
6. Users are expected to pack and unpack their own personal effects and files, although the actual move of the items will be arranged by Facilities Management.
7. Locker allocation is not managed by Facilities Management. This is the responsibility of local managers. Facilities Management can open lockers upon request if they are apparently unused.

## Procedure for Approval of Requests

1. A business case form should be submitted to the Workplace Support Manager. All requests will be acknowledged within 5 working days.
2. Set out below is a summary of the moves procedure.



3. Where appropriate, Head of Service and / or Divisional Director approval must be sought before submitting any move. This must consist of a signed business case form. **All costs involved in any move will be charged to departmental budgets and a cost code must be provided.**
4. The Head of Facilities Management, the Divisional Director, Property & Major Programmes, and the Corporate Director, Place, will review requests on a regular month and may:
  - i. Reject a move at the initial stage if the proposal does not conform to the council's Accommodation Strategy; *or*
  - ii. Request further information including a proposed plan and budget costs; *or*
  - iii. Approve the request.
5. Except in the case of urgent requests, before the Divisional Director, Property & Major Programmes, and the Corporate Director, Place, determine requests, these will be presented to the Asset Management & Capital Strategy Working Group and Board respectively for comment.
6. The decision will be reported back to the applicant in writing. Moves must not be implemented unless they have been approved.

## Business Case for Moving Staff - Application Form

### Detail of Person Requesting the Move

Name:	
Contact phone number:	
Contact email:	

### Summary of the Proposed Move

Description:	Describe the proposed move, including where from, where to, and number of people
Business case for the move:	State the reasons for the move, the benefits to the council, estimated costs and timescales
Dependencies:	Identify any other work that needs to be completed before the move can take place
Target live date:	The date by which the move should be completed. Provide additional dates if the work is to be phased

**When moving between the council's core buildings, there should be no need to move computers, desks, etc., as they will be at the final location. If additional equipment is required, please complete the following sections.**

### Environment, space and facilities requirements

Workstation requirements:	State the number of workstations (as described above) being used at the current location and the number required at the new location, if different.  If the number is different state why.
Dependencies:	State any dependencies e.g. awaiting another team moving out of the target location
Storage:	What team storage requirements are there? Total number of tambour units required Number already at new location Number moving from old location

### ICT Requirements at the new location

Wyse Box / PC requirements:	State the number of Wyse boxes / PCs required at the new location. Total number required Number already at new location Number moving from old location
Printer/scanner/fax requirements:	All core buildings have corporate printers. If you require any additional printers, please state why and the business case. State the number of scanners and faxes required at the new location: Total number required Number already at new location Number moving from old location
Telephone requirements:	State the number of telephones required at the new location. Total number required Number already at new location Number moving from old location



Additional ICT facilities:	Define any additional computer facilities: Additional software Specialist telephone arrangements
Any other requirements:	State any additional requirements not covered above


**Budget**

Available Budget:	State the available budget for the move
Cost Code:	Provide a cost code for the work

**Approval**

Head of Service	
Divisional Director	
Budget Holder	

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<p><b>Cabinet</b></p> <p>7 February 2017</p>	
<p><b>Report of:</b> Debbie Jones, Corporate Director - Children's Services</p>	<p><b>Classification:</b> Unrestricted</p>
<p><b>Ombudsman Report – Case Reference 15 018 561</b></p>	

<b>Lead Member</b>	<b>Councillor Rachel Saunders, Cabinet Member for Children's Services</b>
<b>Originating Officer(s)</b>	Nasima Patel, Service Head - Children's Social Care Ruth Dowden, Service Manager – Complaints and Information
<b>Wards affected</b>	All wards
<b>Key Decision?</b>	No
<b>Community Plan Theme</b>	<b>One Tower Hamlets</b>

## Executive Summary

The Local Government Ombudsman issued a Report finding maladministration regarding a decision made in November 2010 when Ms X commenced caring for 3 children whose mother was not able to provide her children with suitable care.

The Council formed the view that this was a private arrangement but is now in agreement with the Ombudsman that it should have been recognised as a family and friends foster care arrangement and suitable payments be made.

## Recommendations:

The Mayor in Cabinet is recommended to:

1. Note the content of the Report
2. Note the action taken in Children's Social Care to remedy the situation

## **1. REASONS FOR THE DECISIONS**

- 1.1 The Council accepts the Ombudsman's findings

## **2. ALTERNATIVE OPTIONS**

- 2.1 The Council does not wish to challenge the findings, so no alternative options are proposed.

## **3. DETAILS OF REPORT**

- 3.1. The Commission for Local Administration in England, commonly known as the Local Government Ombudsman (LGO), was established under the Local Government Act 1974 (amended by the Local Government and Housing Act 1989) to consider complaints against local authorities and other public bodies. Their remit is broad and covers actions of the authority that fall under the corporate complaints procedure, statutory Adults Social Care complaints and statutory Children's Social Care complaints. The notable exception to their remit, since April 2011, is non-strategic housing complaints which are considered by the Housing Ombudsman.
- 3.2. Since 2013, arising from the Local Government and Public Involvement in Health Act 2007, the LGO has issued and published either a 'statement of reasons' or 'report' of their findings for each complaint.
- 3.3. Complaints considered by the Local Government Ombudsman and Housing Ombudsman are reported to Members by way of an Annual Report and a Half Year Report to the Overview and Scrutiny Committee,
- 3.4. Over and above this requirement, complaints to the Council where fault (or maladministration) is found and a formal report against the council is issued, should also be considered by Cabinet (executive functions) and full Council (non-executive functions).
- 3.5. It is a rare occurrence for this Council to receive a formal report; this is the first since 2009.

### Summary

- 3.6. This complaint hinges on the decision made in November 2010 which resulted in Ms X looking after 3 children whose mother was not able to provide her children with suitable care.
- 3.7. The Council formed the view that this was a private arrangement but is now in agreement with the Ombudsman that it should have been recognised as a family and friends foster care arrangement and suitable payments be made.
- 3.8. One of the children remains in the care of Ms X, the other two siblings were placed with family members the month after Ms X's initial involvement.

## Findings

- 3.9. The Ombudsman determined that the decision regarding the arrangement was taken by the Council and not solely by the family. It was determined that the lack of financial support as applicable for such a placement amounted to maladministration with injustice.

## Action

- 3.10. Children's Social Care has completed a management review to examine the Ombudsman findings and to consider the implications for the placement of the other two siblings. The review found one of them had been placed on similar a basis to the child subject to the complaint and revised payment arrangements are being put in place.
- 3.11. Financial remedies have been agreed. In addition to paying the equivalent of the carer's allowances, £300 will be paid for the costs of caring for the three children until December 2010, £500 for legal fees, and £500 for the time and trouble in pursuing the complaint.
- 3.12. The Council is grateful to Ms X for the care she has provided to the children and continues to provide to one.

## **4. COMMENTS OF THE CHIEF FINANCE OFFICER**

- 4.1 The Council has agreed to pay the complainant £1,300 plus the equivalent of the carer's allowances as per the Ombudsman's recommendation. This expenditure will be managed within existing Children Social Care budgets.

## **5. LEGAL COMMENTS**

- 5.1 The Local Government Act 1974 (as amended), Section 30 provides that if the Local Government Ombudsman completes an investigation he shall prepare a report and send a copy to the complainant, the authority and to other parties not relevant in this case.
- 5.2 The authority must give public notice in newspapers and such other ways as appear appropriate that copies of the report shall be available for inspection by the public for a period of not less than three weeks. The public notice was placed in the East London Advertiser on 12 January and the report was available for public inspection until 3 February. The notice and report were also published on the Council's website. Publication of the Ombudsman's report as an appendix to this report ensures that it remains in the public domain in perpetuity.
- 5.3 Under Section 31 of the Local Government Act 1974 (as amended) where the Ombudsman reports that there has been maladministration resulting in injustice the report shall be laid before the authority and it shall be the duty of the authority to consider the report and within 3 months of receipt thereof (or such longer periods as the Ombudsman may agree in writing) to notify the

Ombudsman of the action which the authority has taken or proposes to take. This report to Cabinet complies with these requirements.

- 5.4 Where it appears to the authority that a payment should be made to, or some other benefit should be provided for a person who has suffered injustice in consequence of the maladministration to which the report refers, section 31 (3) of the Act provides that the authority may incur such expenditure as appears to it to be appropriate in making such a payment or providing such a benefit.

## **6. ONE TOWER HAMLETS CONSIDERATIONS**

- 6.1 Children's Services aim to provide an effective service to all Children in the borough who require Social Care support. In noting the outcomes of this complaint adjustments can be made to another support arrangement.

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

- 7.1 Not Applicable

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

- 8.1 Not Applicable

## **9. RISK MANAGEMENT IMPLICATIONS**

- 9.1 The Council's consideration and evaluation of complaints amounts to a risk evaluation. In this instance wider implications for other placement arrangements have been assessed to ensure effective service and mitigation of risk.

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

- 10.1 None

## **11. SAFEGUARDING IMPLICATIONS**

- 11.1 None

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### **Linked Reports, Appendices and Background Documents**

**Linked Report**  
NONE

**Appendices**  
Ombudsman Report – Reference 15 018 561

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

NONE

**Officer contact details for documents:**

N/A

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# Report by the Local Government Ombudsman

## Investigation into a complaint against London Borough of Tower Hamlets (reference number: 15 018 561)

**8 December 2016**

## The Ombudsman's role

For 40 years the Ombudsman has independently and impartially investigated complaints. We effectively resolve disputes about councils and other bodies in our jurisdiction by recommending redress which is proportionate, appropriate and reasonable based on all the facts of the complaint. Our service is free of charge.

Each case which comes to the Ombudsman is different and we take the individual needs and circumstances of the person complaining to us into account when we make recommendations to remedy injustice caused by fault.

We have no legal power to force councils to follow our recommendations, but they almost always do. Some of the things we might ask a council to do are:

- > apologise
- > pay a financial remedy
- > improve its procedures so similar problems don't happen again.

# Investigation into complaint number 15 018 561 against London Borough of Tower Hamlets

## Contents

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Section 30 of the 1974 Local Government Act says that a report should not normally name or identify any person. The people involved in this complaint are referred to by a letter or job role.

## Key to names used

Ms X - the complainant

Y – a young child who has lived with Ms X since 2010

Ms M – Y’s birth mother (now deceased)

## Report summary

### Children's services: Family & friends carers

Ms X complains the Council has refused to accept that in November 2010 it placed Y and her two brothers with her following concern that Y's mother was unable to provide the children with suitable care. This would make the children looked after children and Ms X their family and friends foster carer.

From late December 2010 Y continued to live with Ms X but she complains the Council failed to provide Y and her with appropriate support, including financial support.

### Finding

Fault found causing injustice and recommendations made.

### Recommendations

To remedy the injustice caused, we recommend the Council:

- apologise to Ms X and Y for the failings we have identified;
- pay Ms X as if she had been a family and friends foster carer (less any state benefits provided to Ms X for the children) for three children from 29 November 2010 to 22 December 2010 and for one child from 23 December 2010 to the present day;
- pay Ms X £300 for the additional initial costs of caring for three children in November 2010 to reimburse her for such items as bedding, clothes and her petrol expenses when ensuring the children kept attending their school many miles away;
- pay Ms X £500 for the legal advice she obtained in 2013 and 2014 for the Special Guardianship Order;
- meet with Ms X to decide a way forward regarding parental responsibility and check if Ms X still wishes to pursue a Special Guardianship Order;
- pay Ms X £500 for the frustration and time and trouble caused by the Council not resolving her complaint sooner given she had complained for many years;
- ensure in future if it is involved in the arrangements for a child to be cared for by a private family arrangement that it ensures all parties are aware of the nature of the arrangement and where financial support may come from. It should also ensure proper records are made of this explanation so it is not in dispute. This will allow the carer to make an informed decision about whether to accept a child on a private arrangement;
- ensure it properly records requests for section 17 child in need support and how it assessed the situation before refusing to provide support; and

- hold a management review to look at the impact of our findings on the decisions and placements made for the two older children. The children and their carers may have been adversely affected by the Council's wrong assumption that it was a private family arrangement. The Council should assess if any injustice was caused and suggest an appropriate remedy for the carers and the children. It should report back to us with its findings.

The Council has accepted our recommendations.

## Introduction

1. Ms X complains the Council has refused to accept that in November 2010 it placed Y and her two brothers with her following concern that Y's mother was unable to provide the children with suitable care. This would make the children looked after children and Ms X their family and friends foster carer.
2. From late December 2010 Y continued to live with Ms X but she complains the Council failed to provide Y and her with appropriate support, including financial support.

## Legal and administrative background

3. The Ombudsman investigates complaints about 'maladministration' and 'service failure'. In this report, we have used the word fault to refer to these. We must also consider whether any fault has had an adverse impact on the person making the complaint. We refer to this as 'injustice'. If there has been fault which has caused an injustice, we may suggest a remedy. (*Local Government Act 1974, sections 26(1) and 26A(1)*)
4. The Ombudsman cannot question whether a council's decision is right or wrong simply because the complainant disagrees with it. We must consider whether there was fault in the way the decision was reached. (*Local Government Act 1974, section 34(3)*)
5. The Ombudsman cannot investigate late complaints unless we decide there are good reasons. Late complaints are when someone takes more than 12 months to complain to us about something a council has done. We have decided there are good reasons to go back to November 2010. This is because there remains disagreement over how the children came to live with Ms X and the availability of records means we can come to a sound decision about these earlier events. Ms X has also complained to the Council regularly about this matter in the intervening years. (*Local Government Act 1974, sections 26B and 34D*)
6. We may investigate matters coming to our attention during an investigation, if we consider that a member of the public who has not complained may have suffered an injustice as a result. (*Local Government Act 1974, section 26D and 34E*)

## The law on children in need

7. The law states 'children in need' are children who:
  - need councils to provide them with services so they can achieve or maintain a reasonable standard of health or development; or
  - need councils to provide them with services to prevent them suffering significant or further harm to health or development; or
  - are disabled.

(*Children Act 1989, section 17*)

8. Councils can provide a range of services including financial support to children it has assessed as being 'in need'. At the time of the complaint councils used a short assessment tool called an Initial Assessment to decide whether a child was in need. An Initial Assessment would assess:
- the developmental and educational needs of the child;
  - the carers ability to respond to the child's needs; and
  - the family conditions which may affect the carer's ability to respond to the child's needs.

### **Councils' duty to provide accommodation to a child in need**

9. The law says councils have a duty to provide accommodation to any child in need in their area who requires it as a result of:
- there being no person who has parental responsibility for the child;
  - his being lost or having been abandoned; or
  - the person who has been caring for the child being prevented (whether or not permanently, and for whatever reason) from providing the child with suitable accommodation or care.

*(Children Act 1989, section 20)*

10. The law requires councils to firstly consider a placement with parents, then family and friends who are willing and able to act as foster carers before considering unrelated foster carers. *(Children Act 1989, section 22C)*
11. If the council makes arrangements for a child to be accommodated by someone other than its parents, the council must provide financial support to maintain the child in the form of a fostering allowance as well as practical support to the 'looked after child'.

### **Case law on family and friends care arrangements – the Southwark judgment**

12. A private family arrangement, sometimes called an informal family arrangement, occurs when a close relative has agreed with the parent to take on the care of their child. Other unrelated people can take on the care of a child under a private fostering arrangement made with the parent. Under these two arrangements there is no right to any financial support from any council but if the child is a 'child in need' a council could provide support under section 17 of the Children Act 1989. Councils do not supervise private family arrangements. Councils must assess private fostering arrangements with unrelated people if the care of the child is likely to be for more than 28 days.
13. The courts have looked at whether an arrangement for a child to live with a relative or friend was truly a private arrangement. The Court said where a council takes a major role in making arrangements for the child to be fostered it is likely to conclude it is acting under its duties to provide the child with accommodation. If the council is simply facilitating a

private arrangement the Court said councils must make it clear to all parties that those holding parental responsibility for the child were responsible for the financial arrangements to care for the child. (*London Borough of Southwark v D* [2007] EWCA 182)

14. Lady Justice Smith's comments, at paragraph 49, in the Southwark judgment clarify how a council might properly help in the making of a private (or informal) family arrangement:

*"We are prepared to accept that, in some circumstances, a private fostering arrangement might become available in such a way as to permit a local authority, which is on the verge of having to provide accommodation for a child, to 'side-step' that duty by helping to make a private fostering arrangement. However, it will be a question of fact as to whether that happens in any particular case. Usually, a private fostering arrangement will come about as the result of discussions between the proposed foster parent and either the child's parent(s) or a person with parental responsibility. But we accept that there might be occasions when a private arrangement is made without such direct contact. We accept that there might be cases in which the local authority plays a part in bringing about such an arrangement. However, where a local authority takes a major role in making arrangements for a child to be fostered, it is more likely to be concluded that, in doing so, it is exercising its powers and duties as a public authority pursuant to sections 20 and 23. If an authority wishes to play some role in making a private arrangement, it must make the nature of the arrangement plain to those involved. If the authority is facilitating a private arrangement, it must make it plain to the proposed foster parent that s/he must look to the parents or person with parental responsibility for financial support. The authority must explain that any financial assistance from public funds would be entirely a matter for the discretion of the local authority for the area in which the foster parent is living. Only on receipt of such information could the foster parent give informed consent to acceptance of the child under a private fostering agreement. If such matters are left unclear, there is a danger that the foster parent (and subsequently the court) will conclude that the local authority was acting under its statutory powers and duties and that the arrangement was not a private one at all."*

15. At paragraph 50 Lady Justice Smith noted Southwark took a central role in making the arrangements for the child to live with the relative. It dictated how contact should take place with the parent and arranged a meeting of all relevant parties. Lady Justice Smith said:

*"Those factors are far more consistent with the exercise of statutory powers by Southwark than the facilitating of a private arrangement..."*

16. For an arrangement to be a private arrangement Lady Justice Smith commented, at paragraph 59, in the Southwark judgment that:

*"It seems to us that a full explanation and a proper understanding is even more imperative where the local authority is seeking to discharge its obligations by arranging that someone else will shoulder them."*



## Special Guardians

17. A Special Guardianship Order is a private Court order for children who cannot live with their birth family. It gives the Special Guardian parental responsibility for the child without removing entirely the parental responsibility of the birth parent. Children cared for by a Special Guardianship Order are not 'looked after children' under the Children Act.
18. Special Guardianship Allowance is a means tested allowance available to Special Guardians. The Statutory Guidance says councils must have regard to how much fostering allowance would have been paid had the child been fostered rather than cared for under a Special Guardianship Order. Case law has confirmed the starting rate for Special Guardianship Allowances should be in line with local fostering allowance, minus an amount for child benefit and child tax credit as foster carers cannot claim these benefits.

## How we considered this complaint

19. This report has been produced following the examination of relevant files and documents and interviews with the complainant.
20. The complainant and the Council were given a confidential draft of this report and invited to comment. The comments received were taken into account before the report was finalised.
21. Under the information sharing agreement between the Local Government Ombudsman and the Office for Standards in Education, Children's Services and Skills (Ofsted), we intend to share this report with Ofsted.

## Investigation

### Background

22. Ms M had three children, the youngest of which was Y. Ms M had problems with drugs and alcohol. The Council classed her children as 'children in need'. They had Child in Need Plans which the Council last reviewed in 2008, the year Y was born. The Council had carried out a pre-birth assessment of Y as it had concerns about Ms M's ability to provide suitable care. The two older children lived with their grandmother under a Residence Order until the grandmother died in 2009 and they moved back to live with their mother.
23. In March 2010 the Council's files noted it had not carried out a Core Assessment of the children's welfare and it had missed a number of opportunities to assess and plan. The Council officer who made the notes felt the children should have been on Child Protection Plans much sooner and Y should have had one from birth.

24. At times Ms M was hospitalised as a result of the effects of her drug and alcohol problems. She would tell the Council the details of close relatives who could care for her children temporarily, including their aunts and grandfather. The Council would then assess these adults in their home, carry out police checks and decide if the Council felt they would be suitable carers.
25. In July 2010 the Council carried out a Core Assessment of the children. It arranged for a Child Protection Conference as it was concerned about the children's welfare. The children were placed on Child Protection Plans for neglect.
26. The Child Protection Review Conference in October 2010 decided the children should remain on those Plans for neglect. It said there had been a further deterioration since the last Conference and it was concerned about Ms M's ability to meet the children's basic care needs. It also had concerns about the children's school attendance and requested the Council support Ms M to ensure their attendance.
27. In November 2010, during a visit to the family home, the Social Worker found the eldest child was out of school and Ms M had been hospitalised again as a result of her alcohol problems. She was by now terminally ill. Her older children were considered to be young carers. The home was in a poor state. The Social Worker noted that "*Care has been considered*". The Social Worker arranged for the children to stay with family members until the Council could assess Ms M's ability to care for the children. The aunt said she had only agreed to provide care until Ms M came out of hospital. The Council arranged transport for the older children to get them to school over the next few weeks.
28. Ms M told the Social Worker she could not ask her extended family for support as they had told her they could not really support and monitor the situation.
29. The Council considered if it should begin care proceedings at its Entry to Care Panel on 16 November 2010. The Panel decided the Council should not seek care proceedings to remove the children from Ms M. It decided the extended family members should be contacted and informed about Ms M's terminal illness. It said the Council should discuss with Ms M her plans for the children in view of her prognosis.
30. Ms X is a friend of Ms M's sister. Ms X is a single parent with three children. She lived in a three bedroom council property and in 2010 was reliant on state benefits alone. She says she did not really know Ms M. However around June 2010 she cared for Ms M's eldest child for a few hours after a friend asked her to pick him up from school when Ms M failed to collect him. She says she only spent a few hours with the boy before Ms M collected him from her house. She says as a result of this Ms M had her telephone number. Ms X says she had not met the boy before and this was the only contact she had had with Ms M's children. The Council was unaware of Ms X or that she had provided a few hours of care to one of the children in June until the following events. There is no reference to Ms X in the children's file prior to the end of November 2010.

## **Ms M's three children go to live with Ms X**

31. What happened on 29 November 2010 is disputed by the Council and Ms X.

### ***The Council's version of events***

32. The Council says Ms M's sister called the Council with her concerns that Ms M had been drinking all day. She felt the children should be removed from Ms M. The Council says the aunt agreed to go away and find out who could care for the children. It says the aunt called back to say Ms X, "a cousin", could care for the children and she had done this before in June. (Ms X is not related to Ms M.) The Council held a Strategy Discussion and decided a section 47 safeguarding investigation should be started and the children spoken to alone. It also decided the Social Worker would ask if family members could care for the children either as a respite or on a longer term basis.

33. The Social Worker then visited Ms M and she said she was drinking again. Ms M said the children could live with Ms X as a family arrangement. However Ms M was not happy about the situation and was shouting at the Social Worker and her family saying she would not speak to her sister again for reporting her to Children's Services. The Social Worker arranged to visit Ms X at home to check it was suitable for Ms M's children.

### ***Ms X's version of events***

34. Ms X says she received a telephone call from the Social Worker after Ms M gave her Ms X's telephone number. Ms X says the Social Worker asked her to care for the three children temporarily. She agreed to step in and went to the property. She says there were two Social Workers present. She says although the Social Workers had never met her before, and Ms X did not know the children apart from the older child who she had looked after for a couple of hours in June, they allowed her to take the children. She says the Social Workers asked her to write her telephone number and address on a piece of paper. She says Ms M was crying and saying they were stealing her children from her. She says the children had no clothes or school uniform with them. Y, the youngest was two years old at the time.

### ***Later events***

35. The Council visited Ms X's property the next day. It noted Ms X said she was happy to care for the children for the time that was needed. The Council's records note it as a "Respite placement with [Ms X]". It noted Ms X's three bedroom house was quite small for her and now six children. Ms X says she had to 'top and tail' four of the children. Ms X took the older children to school, an 18 mile round trip. The Council did not offer to help her with their school transport costs.

36. The Council's notes record Ms M refused to let family members into her house to collect her children's clothes. She refused to give Ms X the child benefit payments she received for the children. The Social Worker noted the Council would not help Ms X financially as the children were not 'in care'.

37. The Council's record says Ms X said she could care for the children long term. The Social Worker noted the children looked well in Ms X's care. The Social Worker asked the children's aunts if they were willing to care for the children in the long term. The Social Worker decided to refer the case to "Private Fostering" if Ms X was going to care for the children for more than 28 days without a care order.
38. On 16 December 2010 the Council held a Family Group Conference. Family members attended along with Ms X. Ms M did not attend. The Council's report before the meeting said:
- "The family need to devise a plan to keep the children safe at all times."*
- "If the family fail to devise a suitable plan, the Local Authority will seek legal advice which may result in initiating Court proceedings."*
- "If the situation continues to deteriorate, Children's Services could apply for Parental Responsibility for the children."*
39. The minutes of the meeting say the family agreed Ms M should not have the children. The minutes note Ms X was willing to be a long term guardian for Y on a permanent basis.
40. Around a week later the two older children went to live with different aunts and Y remained with Ms X. A few months later the eldest child left the aunt's home and went into foster care, becoming a 'looked after child'.

### **Y stays with Ms X on a long term basis**

41. Ms X says she often asked the Council to give her financial support for caring for Y, as well as earlier requests for support when she cared for all three children. She asked for help with the cost of the children's clothes, school uniform, school transport, a car seat for Y, a bed, food and alike. She says the Council refused all her requests.
42. In a Child Protection Review Conference in March 2011 the minutes of the meeting record:
- "[Y] was placed with a family friend [Ms X] ..."*
43. The Review Conference decided to keep Y on a Child Protection Plan as her placement with Ms X, although going well, was not secure. It suggested Ms X needed to apply for a court order to gain parental responsibility for Y. It said Ms M was not in a position to care for the children and if she attempted to remove them from their placements the Council should seek legal advice. The Child Protection Plan noted that Ms X had taken on Y's care without financial support from the Council but it was clearly having an impact on her as a carer. It said Children's Social Care should consider providing support to Ms X as a carer for Y.
44. On 8 April 2011 a manager from the Council's Children's Schools and Families Directorate wrote a letter to a local primary school to ask it to provide Y with a school place. The letter explained the background to the case. It said:

*“[Y] has a Child Protection Plan in place and was been [sic] placed in the care of [Ms X] by the Social Services on 29 November 2010.”*

45. On 27 April 2011 a Council Social Worker also wrote to the school. She said:  
  
*“[Y] was placed in [Ms X’s] care in order to safeguard her welfare and ensure her safety.”*
46. In September 2011 the Child Protection Review Conference decided to discontinue Y’s Child Protection Plan and instead decided she would be treated as a ‘child in need’. It noted a Residence Order or Special Guardianship Order for Ms X would give greater security for Y. It said contact between Ms M and Y should be supervised. The Child in Need Plan asked the Council to consider reassessing its position about providing Ms X with financial support to ensure the placement remained stable and sustainable.
47. On 2 October 2011 the Council gave Ms X two payments totalling £200.
48. In October 2011 the Council conducted a viability assessment of Ms X. The document is headed ‘Prospective Kinship Care Placement’. It was a positive assessment.
49. In 2012 the Council agreed to pay Ms X £500 to get legal advice about obtaining a Residence Order. However, Ms X says she paid the £500 bill for legal advice in 2015. Given the Council’s offer in 2012, she would like the Council to reimburse her this money. In May 2012 the Council paid Ms X £100 to purchase a bed for Y.
50. In 2012 Ms M died. From that date on there has been no one who has parental responsibility for Y.

### **Consideration of Special Guardianship**

51. In July 2012 Ms X went to Court to get parental responsibility for Y. The Court ordered the Council to carry out assessment of Ms X for a Special Guardianship Order. In the meantime, it gave Ms X an Interim Residence Order so she could have temporary parental responsibility for Y.
52. As part of the assessments for Court the Council carried out a financial assessment of Ms X. This concluded she would be entitled to the maximum Special Guardianship Allowance of £48.58 a week. This later increased to £85.61 a week after Y went into the next age band.
53. Ms X says after receiving advice from a family rights charity, she was not happy with the Special Guardianship support package offered by the Council. She felt the Council should have paid her for caring for Y since November 2010 as a family and friends foster carer as it had placed Y with her. The Council rejected her claim saying it was a private arrangement made at the Family Group Conference on 16 December 2010 and Y was not a ‘looked after child’.
54. Ms X explored the option of taking a Judicial Review and her solicitors wrote to the Council. The Council maintained it was a private arrangement.

55. The Court considered the Special Guardianship application again in July 2013. By then Ms X had decided to withdraw her request until the Council agreed to accept it placed Y with her and should have treated her as a family and friends foster carer from November 2010. The Judge allowed Ms X to withdraw her request and noted she had managed to cope without having parental responsibility for Y since November 2010. This ended the Interim Residence Order. After considering the case the Judge's recorded comments say:
- *"...what is clear is [Y] was 'placed' into the care of Ms X when it became clear she could not reside with her mother. What is unclear is how the arrangement was made."*
  - the Council had implied to Ms X that if Y was *"not cared for by family member [...] she would be placed into foster care"*.
  - *"The local authority suggest that the arrangement was a private foster carer arrangement but I have seen no evidence of any agreement between the mother and [Ms X] to that effect."*
  - Ms X's requests for financial support from the Council were *"woefully overlooked"*.
56. In January 2014 the Council carried out a Core Assessment of Y, the first since July 2010. This was as a result of Ms X withdrawing her application for a Special Guardianship Order. The Council concluded Y was well cared for by Ms X.
57. In 2014 Ms X's solicitors told her it would no longer be considering action against the Council for Judicial Review as her potential claim was now 'out of time'.
58. In March 2015 the Council made Ms X an offer of an ex gratia payment of £6,000 which Ms X rejected. It says it made this offer after the Court ordered the Council give proper consideration to making an ex gratia payment in 2014 to resolve the disputed issues and avoid any unnecessary expense of a Judicial Review.
59. Ms X says she continually asked the Council for financial and emotional support to care for Y but it did not provide it. She says she had to use up all her savings. She wants the Council to pay her from November 2010 to the present and put in place a package of support for Y for the future. She says once this is resolved she is willing to seek parental responsibility for Y.
60. In 2016 the Council closed Y's case.
61. The Council told us it still feels it is imperative for Ms X to get an Order for Y to give her parental responsibility for her. The Council has also advised her to consider adopting Y. It says although Ms X does not have parental responsibility for Y, section 3(5) of the Children Act 1989 says a person who does not have parental responsibility but has the care of the child can do what is reasonable to safeguard the child and promote their welfare.

62. In response to our enquiries the Council increased its offer of an ex gratia payment to Ms X to £8,000.

## Conclusions

### Private arrangement or family and friends foster care

63. The Council says the three children came to live with Ms X on 29 November 2010 as a private fostering arrangement between Ms M and Ms X. Ms X believes the Council placed Y and her two brothers with her in late November 2010 and it should have paid her and supported her to care for Y and her brothers, and later Y alone, as their foster carer.
64. Our role is to consider the evidence and, if there is sufficient evidence, decide who is right.
65. The mounting evidence in 2010 shows Ms M was unable to provide suitable care for her three children. They were on Child Protection Plans for neglect. A Social Worker had recorded that the children should have had greater child protection support much sooner and the case had been allowed to drift. Ms M was becoming increasingly ill and abused both alcohol and drugs. By November 2010 she was frequently hospitalised and the children were often passed out to live with various relatives. Their school attendance was poor. This is a concern when children are on Child Protection Plans as school provides a level of safeguarding.
66. The Council considered taking care proceedings to remove the children just a few days before they went to live with Ms X. The case was considered by its Entry to Care Panel. The Panel decided the Council should instead ask Ms M about her plans for caring for the children given she was by then terminally ill. However, there is no record of the Council asking Ms M her long term plans for the children's care before the events on 29 November 2010 when the children went to live with Ms X.
67. The Council became involved on 29 November 2010 because Ms M could not provide the children with suitable care. She had been drinking all day and was becoming increasingly seriously unwell as a result of her substance abuse.
68. Following a difficult visit to Ms M, the children went to stay with Ms X on 29 November 2010. The Council says this was a private family arrangement made without its involvement. We do not agree for the following reasons.
- **The Council was involved** because the children were subject to Child Protection Plans so the Council had oversight of their care; the Council was on the verge of taking the children into care; two social workers were present when the arrangements were made for the children to stay with Ms X.
  - **Ms M could not consent to Ms X taking her children** because she was under the influence of a significant amount of alcohol.

- **Ms X could not give informed consent to a private arrangement** because the social workers did not explain that she was agreeing to a private fostering arrangement and she would not get financial support from the Council.

69. The Council says arrangements for the children's long term care were agreed at the Family Group Meeting held on 16 December 2010. The Council says the family agreed Ms X would take on the long term care of Y. It insists this again shows it was a private arrangement. We do not agree for the following reasons.

- **The Council arranged the meeting to decide where the children would live.** Such a meeting suggests the Council acting under its statutory powers, as Lady Justice Smith noted in the Southwark case, indicating an arrangement is not private.
- **Ms M was not present at that meeting and therefore not able to agree** to Ms X taking on Y for the long term. For it to be a private family arrangement the parent would need to make the arrangement directly with the carer.
- **The Council implied the children would go to unknown foster carers** if the family did not agree to care for them. The Council failed to explain the options to the family, including family and friends care should be explored first, so they could not make an informed decision.
- **Ms M had refused to let the family enter her home** to get the children's possessions. In addition Ms M refused to give Ms X any financial support, including the benefits she received for the children. Her actions show she did not consent to the arrangement.
- **The Council failed to clearly explain to Ms X that by agreeing to a private arrangement she would not get any financial support from the Council.** Only on receipt of this information could Ms X make an informed consent to take on the children under a private arrangement where the Council was involved in the arrangements. This is especially relevant as due to the Council's involvement in the case, as discussed in the Southwark case, it must make the nature of the arrangement plain to the proposed carer.

70. The Council says its records of 29 November 2010 say that it was a private arrangement. However, other Council records refer to the children being placed with Ms X, including:

- a record dated 1 December 2010 in which the Council describes the arrangement as a "*Respite placement with [Ms X]*";
- two different Council Officers wrote to Y's school in April 2011 to say the Council 'placed' Y with Ms X.

71. In the case *SA v Kent County Council [2010] EWHC 848 (Admin)*, Kent County Council had made arrangements for a child to live with its grandmother after it had concerns about the care the mother was providing to the child. Kent County Council felt it was a private



fostering arrangement. The Court said the council had taken the lead in the arrangements and had remained involved in the arrangement but had failed to explain the grandmother would be herself financially liable for the grandchild. The Court said:

*“the way in which a local authority choose to label their actions cannot dictate the legal consequences of them”.*

72. Having considered the evidence, we conclude it was not a private arrangement. The duty to accommodate the three children arose on 29 November 2010 when Ms M could no longer provide them with suitable accommodation or care. The Council did not make the arrangements clear to Ms X and therefore it could not sidestep its duty to accommodate the children. The Council should have paid and supported Ms X and the children as if they were looked after children from 29 November 2010 to 22 December 2010. From 22 December 2010 to the present day it should have paid Ms X and supported her and Y as a looked after child to the present day. We note the Judge in Ms X's aborted Special Guardianship Order application reached the same conclusion.
73. This is a significant fault and caused a significant injustice to Ms X and Y. The Council has accepted our finding.

#### **Failure to provide section 17 support**

74. During the period the Council believed it was a private arrangement, it failed to consider what support (including financial support) Y, and initially all three children, needed as children in need.
75. When all three children went to live with Ms X in late 2010 they were all children in need because they were all on Child Protection Plans for neglect. They arrived with no possessions, school uniform, spare clothes, beds, cot, bedding, car seat and alike. Ms X incurred costs transporting the children to school some distance from her home to ensure they had excellent school attendance where they previously had poor attendance.
76. Just before the children came to live with Ms X, the Council had agreed to provide school transport, by way of a taxi, for the older two children. However when Ms X took on their care the Council did not provide this support. The Council also did not offer to pay Ms X a mileage rate for the 18 mile round trip to take them to school each day.
77. There is no evidence on file as to why the Council did not agree to Ms X's request for financial support, apart from to say they were not in care. Children in need do not have to be 'in care' to receive support. When Ms X took on the children in November 2010 it was on an emergency basis. The Council was aware Ms X was not a wealthy woman. She was entirely supported by benefits. The Council was aware she was receiving no money from the children's mother and no state benefits for the children. Ms X did not have enough beds for the children to sleep in, resulting in four of them 'top and tailing'. She also did not have enough clothes or school uniform. The Council failed to provide her with any money or practical support even though they knew Ms M was not providing Ms X with any financial support.

78. The Council was asked twice during the Child Protection Review Conferences in March 2011 and September 2012 to review its position about providing financial support to Ms X to ensure the placement remained stable and sustainable. In response the Council paid Ms X £200 in October 2011, 11 months after the events when the children first came to live with her. It then paid £100 in May 2012 for a bed for Y. This appears insufficient for Ms X to care for Y and to ensure the placement was sustainable given she was reliant on state benefits and had three children of her own. The basis for the Council not providing Ms X with section 17 financial support before that date is not evident from its files. A failure to come to a properly informed decision was fault and it left Ms X and Y without adequate financial support.
79. Without a proper assessment of the children's needs and Ms X's ability to financially support them the Council could not have concluded it did not need to support the children. It could easily have made payments for food, clothes, car seat, bedding, and a mileage rate to school at very little cost to the Council but at great benefit to Ms X and the children.
80. The Council later assessed Ms X's financial income and her projected outgoings as part of its financial assessment for Special Guardianship. At the time she was only caring for Y as well as her own three children. The Council's assessment found Ms X was significantly out of pocket. It estimated the shortfall in her disposable income was over £950 a month. As a result, without suitable financial support Ms X suffered a significant financial injustice.

### **Special Guardianship**

81. Although the Council appears to have made an offer to Ms X in line with its policy on paying Special Guardianship Allowance, Ms X declined. This was because she received advice from a family rights charity that she had not had the proper support in place from 2010. Ms X wanted her and Y to receive the support they would get if Y were a looked after child. If a child was a looked after child at the time a Special Guardianship Order is granted, the level of support they are entitled to receive from the Council is strengthened.
82. The Judge in the case heard her reasons for wanting to withdraw from the Order application and accepted her choice. The Judge was critical of the financial support the Council had already failed to offer Ms X for caring for Y and the way Y came to live with Ms X. The Judge said there was no evidence of a private arrangement.
83. Ms X would like the Council to reimburse her the £500 bill she incurred for the legal advice for the Special Guardianship Order. Ms X withdrew from the Special Guardianship Order application, and the Court allowed this, as a result of the Council failing to accept she was Y's family and friends foster carer. As we have found the Council's decision was flawed we have asked the Council to reimburse this fee and it has agreed.
84. The Council is still keen for Ms X to obtain a Special Guardianship Order for Y to give her parental responsibility. Currently no one has parental responsibility for Y. It says its latest report of her care of Y is positive and it would offer her a package of support including financial support if she wishes to apply to court for a Special Guardianship Order. Ms X

has told us she would be keen to go ahead with an Order and gain parental responsibility for Y if her complaint can be resolved.

### **The Council's offer to Ms X**

85. The Council offered Ms X an ex gratia payment of £6,000 in 2014 and increased it to £8,000 in 2016 during our investigation. Ex gratia means a payment made from a moral obligation rather than because of any legal requirement. As the Council failed to properly consider its duty to accommodate the children and there is no evidence the placement was a private arrangement, the Council should have paid Ms X as a family and friends foster carer. The payments she is owed are considerably more than the offer it has made. Therefore, the Council has not made a suitable offer.

### **Others who may be affected**

86. As Ms M could not have given her consent to a private family arrangement for Ms X to care for Y in November and December 2010 this may have implications to the other family members involved. Both the older two children and the carers who took them on.
87. After the Family Group Conference in December 2010 the two older children went to live with different aunts. A private arrangement could not have been made on that day as Ms M was not present. Therefore, it is possible the Council should have considered these two aunts as family and friends foster carers and provided them with suitable practical and financial support to help them care for each child.
88. One child's placement with an aunt broke down a few months later due to his behaviour. Ms X says the Council placed him in a foster care and later a residential home. The impact of a lack of support to him as a looked after child from December 2010 to his entering care may have caused him a disadvantage. He is now an adult.
89. Ms X says the other child, initially placed with a different aunt, has moved placements nine times since 2010. This included a brief spell back with Ms X. He is now back living with the original aunt. Ms X says the aunt's home was a one bedroom property and the aunt had children of her own. Therefore it is possible both the aunt and other carers caring for this child, along with the child, may have suffered a disadvantage by not having the support from the Council as a looked after child.
90. We have insufficient evidence about these children and their carers to come to a firm conclusion. Therefore, we recommend the Council takes action to carry out its own investigation. The Council has agreed. The carer of one of these children has recently complained to us.

### **Decision**


91. We have completed our investigation. There was significant fault causing significant injustice to Y's two older siblings and the family and friends carers looking after them. The Council should take the action identified in paragraph 92 to remedy that injustice.

## Recommendations

92. We recommended within three months of the date of this report the Council should:

- apologise to Ms X and Y for the failings we have identified;
- pay Ms X as if she had been a family and friends foster carer (less any state benefits provided to Ms X for the children) for three children from 29 November 2010 to 22 December 2010 and for one child from 23 December 2010 to the present day;
- pay Ms X £300 for the additional initial costs of caring for three children in November 2010 to reimburse her for such items as bedding, clothes and her petrol expenses when ensuring the children regularly attended their school many miles away;
- pay Ms X £500 for the legal advice she obtained in 2013 and 2014 for the Special Guardianship Order;
- meet with Ms X to decide a way forward regarding parental responsibility and check if Ms X still wishes to pursue a Special Guardianship Order;
- pay Ms X £500 for the frustration and time and trouble caused by the Council not resolving her complaint sooner given she had complained for many years;
- ensure in future if it is involved in the arrangements for a child to be cared for by a private family arrangement that it ensures all parties are aware of the nature of the arrangement and where financial support may come from. It should also ensure proper records are made of this explanation so it is not in dispute. This will allow the carer to make an informed decision about whether to accept a child on a private arrangement;
- ensure it properly records requests for section 17 child in need support and how it assessed the situation before refusing to provide support; and
- hold a management review to look at the impact of our findings on the decisions and placements made for the two older children. The two older children and their carers may have been adversely affected by the Council's wrong assumption that it was a private family arrangement. The Council should assess if any injustice was caused and suggest an appropriate remedy for the carers and the children. It should report back to us with its findings.

The Council has accepted our recommendations.

<p><b>Cabinet</b> 7 February 2017</p>	 <b>TOWER HAMLETS</b>
<p><b>Report of:</b> Zena Cooke – Corporate Director Resources</p>	<p><b>Classification:</b> Unrestricted</p>
<p><b>Contracts Forward Plan – Quarter Four (FY2016-2017)</b></p>	

<b>Lead Member</b>	<b>Councillor David Edgar, Cabinet Member for Resources</b>
<b>Originating Officer(s)</b>	Zamil Ahmed – Head of Procurement
<b>Wards affected</b>	All wards
<b>Community Plan Theme</b>	<b>One Tower Hamlets</b>
<b>Key Decision</b>	Yes

**1. EXECUTIVE SUMMARY**

- 1.1. The Council’s Procurement Procedures require a quarterly report to be submitted to Cabinet, laying down a forward plan of supply and service contracts over £250,000 in value, or capital works contracts over £5 million. This provides Cabinet with the visibility of all high value contracting activity, and the opportunity to request further information regarding any of the contracts identified. This report provides the information in period quarter four of the Financial Year.
- 1.2. Only contracts which have not previously been reported are included in this report.

**2. DECISION REQUIRED:**

**Cabinet is recommended to:**

- 2.1. Consider the contract summary at Appendix 1, and identify those contracts about which specific reports – relating to contract award – should be brought before Cabinet prior to contract award by the appropriate Corporate Director for the service area and
- 2.2. Confirm which of the remaining contracts set out in Appendix 1 can proceed to contract award after tender.
- 2.3. Authorise the Service Head - Legal Services to execute all necessary contract documents in respect of the awards of contracts referred to at recommendation 2 above.
- 2.4. Review the forecast forward plan schedule detailed in Appendix 2 and identify any contracts about which further detail is required in advance of the scheduled quarterly forward plan reporting cycle.

### 3. **REASONS FOR THE DECISIONS**

- 3.1. The Council's Procurement Procedures require submission of a quarterly forward plan of contracts for Cabinet consideration, and it is a requirement of the Constitution that "The contracting strategy and/or award of any contract for goods or services with an estimated value exceeding £250,000, and any contract for capital works with an estimated value exceeding £5,000,000, shall be approved by the Cabinet in accordance with the Procurement Procedures". This report fulfils these requirements for contracts to be let during and after the period Q4 of the Financial Year.

### 4. **ALTERNATIVE OPTIONS**

- 4.1. Bringing a consolidated report on contracting activity is considered the most efficient way of meeting the requirement in the Constitution, whilst providing full visibility of contracting activity; therefore no alternative proposals are being made.

### 5. **BACKGROUND**

- 5.1. This report provides the forward plan for the period Q4 of the Financial Year in Appendix 1, and gives Cabinet Members the opportunity to select contracts about which they would wish to receive further information, through subsequent specific reports.

### 6. **FORWARD PLAN OF CONTRACTS**

- 6.1. Appendix 1 details the new contracts which are planned during the period Q4 of the Financial Year. This plan lists all of the new contracts which have been registered with the Procurement Service, and which are scheduled for action during the reporting period.
- 6.2. Contracts which have previously been reported are not included in this report. Whilst every effort has been made to include all contracts which are likely to arise, it is possible that other, urgent requirements may emerge. Such cases will need to be reported separately to Cabinet as individual contract reports.
- 6.3. Cabinet is asked to review the forward plan of contracts, confirm its agreement to the proposed programme and identify any individual contracts about which separate reports – relating either to contracting strategy or to contract award – will be required before proceeding.
- 6.4. Equalities and diversity implications – and other One Tower Hamlets issues – are addressed through the Council's Tollgate process which provides an independent assessment of all high value contracts, and ensures that contracting proposals adequately and proportionately address both social considerations and financial ones (such as savings targets). The work of the Competition Board and Corporate Procurement Service ensures a joined-up approach to procurement.
- 6.5. The Tollgate process is a procurement project assurance methodology, which is designed to assist in achieving successful outcomes from the Council's high value contracting activities (over £250,000 for revenue contracts, and £5,000,000 for capital works contracts which have not gone through the Asset

Management Board approval system). All Tollgate reviews are reported to Competition Board, and when appropriate contract owners are interviewed by the Board; contracts require approval of the Board before proceeding.

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

- 7.1. This report describes the quarterly procurement report of the forward plan for Q4 of the Financial Year and beyond, to be presented to Cabinet for revenue contracts over £250,000 in value and capital contracts over £5 million.
- 7.2. Approximately £83.7M of goods, services and works will be procured from external suppliers. Procured services comprise around 40% of the Council's annual expenditure and control of procurement processes is thus crucial to delivering value for money for local residents as well as managing the risks that may arise if procurement procedures go wrong. Consideration of the plan by Cabinet operates as an internal control and also provides the opportunity for the Mayor to comment on specific procurements at an early stage.
- 7.3. Appendix 1 details 11 contracts that will be out to tender in Q4 of 2016/17. The annual value of these contracts is approximately £14m and the cost of these will be met through existing budgets.

## **8. LEGAL COMMENTS**

- 8.1. The Council has adopted financial procedures for the proper administration of its financial affairs pursuant to section 151 of the Local Government Act 1972. These generally require Cabinet approval for expenditure over £250,000 for revenue contracts and £5m for capital works contracts.
- 8.2. Cabinet has approved procurement procedures, which are designed to help the Council discharge its duty as a best value authority under the Local Government Act 1999 and comply with the requirements of the Public Contract Regulations 2015. The procurement procedures contain the arrangements specified in the report under which Cabinet is presented with forward plans of proposed contracts that exceed specified thresholds. The arrangements are consistent with the proper administration of the Council's financial affairs.
- 8.3. Pursuant to the Council's duty under the Public Services (Social Values) Act 2012, as part of the tender process and where appropriate, bidders will be evaluated on the community benefits they offer to enhance the economic social or environmental well-being of the borough. This is in accordance with the Council's Procurement Policy Imperatives adopted at Cabinet on 9<sup>th</sup> January 2013. The exact nature of those benefits will vary with each contract and will be reported at the contract award stage. All contracts delivered in London and which use staff who are ordinarily resident in London will require contractors to pay those staff the London Living Wage. Where workers are based outside London an assessment will be carried out to determine if the same requirement is appropriate.
- 8.4. When considering its approach to contracting, 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). Officers are expected to continuously consider, at every stage, the way in which procurements conducted and

contracts awarded satisfy the requirements of the public sector equality duty. This includes, where appropriate, completing an equality impact assessment as part of the procurement strategy, which is then considered as part of the tollgate process.

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

9.1. The Council is required to consider the value for money implications of its decisions and to secure best value in the provision of all its services. The Council procures annually some £350m of supplies and services with a current supplier base of approximately 3,500 suppliers. The governance arrangements undertaking such buying decisions are set out in the Council's Procurement Procedures, which form part of the Financial Regulations.

9.2. Contracts listed in Appendix One are all subject to the Councils Tollgate process which involves a detailed assessment by Competition Planning Forum and Competition Board of the procurement strategy to ensure compliance with existing policies, procedures and best value duties prior to publication of the contract notice.

## **10. ONE TOWER HAMLETS CONSIDERATIONS**

10.1. Equalities and diversity implications – and other One Tower Hamlets issues – are addressed through the tollgate process, and all contracting proposals are required to demonstrate that both financial and social considerations are adequately and proportionately addressed. The work of the Competition Board and the Procurement & Corporate Programme Service ensures a joined-up approach to procurement.

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

11.1. Contracts are required to address sustainability issues in their planning, letting and management. Again, this is assured through the Tollgate process, and supported through the Procurement & Corporate Programmes' Corporate Social Responsibility work stream.

## **12. RISK MANAGEMENT IMPLICATIONS**

12.1. Risk management is addressed in each individual contracting project, and assessed through the tollgate process.

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

13.1. There are no specific crime and disorder reduction implications.

## **14. EFFICIENCY STATEMENT**

14.1. Contract owners are required to demonstrate how they will achieve cashable savings and other efficiencies through individual contracting proposals. These are then monitored throughout implementation.

## **15. APPENDICES**

Appendix 1 – new contracts planned: Q4 of the Financial Year and beyond.

Appendix 2 – Cabinet Contract Forward Plan Forecast 2016-19



## Appendix one – new contracts planned: Q4 of the Financial Year 16-17

Contract Ref & Title	<b>DR5172 -Hard Facilities Management Services</b>		
Procurement Category:	Construction & FM	Funding:	General Fund Revenue and Capital, Central Government school grant
Invitation to Tender <input checked="" type="checkbox"/> Contract Signature <input type="checkbox"/>	December 16	Contract Duration and Extensions:	5 years with 2 year extension
Value P/A:	Circa £7m	Value Total:	Up to £49m
Reviewed by Competition Board <input checked="" type="checkbox"/>	28/11/2016	<input checked="" type="checkbox"/> London Living Wage <input checked="" type="checkbox"/> New Procurement <input type="checkbox"/> Collaboration <input type="checkbox"/> Re-procurement of existing Contract	

### **Scope of Contract**

This contract will provide repairs and maintenance services to all non-domestic Council assets including administrative offices, children’s centres, community centres, libraries and shops. The service will ensure that Council buildings are safe to use, meet statutory legal safety legislation (compliance) and are wind and watertight. The contract will provide both the annual servicing and maintenance regime as well as providing a reactive maintenance service for day to day breakdowns and fabric repairs. The contract will enable small construction, refurbishment and replacement projects to be directly “called off” via a schedule of rates up to a value of around £250k. The contract will not be exclusive, and the Council will reserve the right to vary the buildings and services in scope by serving a contract variation.

### **Contracting Approach**

The market for this service is mature and there are a wide range of models used across the public sector for delivering this service. Historically, the Council has used a discounted schedule of rates approach utilising multiple contractors and an order and supply method. This approach is administratively burdensome and has led to indifferent performance from the contractors due to the variable nature of ordering and often leads to long in periods for small projects and poor availability of tradespersons when reactive works are required.

The proposed contracting method for the new service will be to reduce the overall number of main suppliers from 3 to 2 (1 General Building and 1 Mechanical & Electrical supplier) and hybrid approach whereby the core maintenance, testing and certification works are fixed price per annum and the reactive works are labour plus materials. This approach will significantly reduce the number of invoices being processed and will enable the Council team to focus on contractor performance and managing the compliance regime. By moving to a fixed price model the Contractor will also have income certainty and be in a position to allocate resources and form a strong management team accordingly.

### **Community Benefits**

The procurement method will be dialogue light, and this approach will enable the Council to select which elements of the contract to dialogue. To ensure that the maximum return possible is achieved, one of the dialogue areas will be Community Benefits. By discussing this during dialogue the Council will better understand the initial proposals from bidders and will be in a position to help bidders fully understand the Council and Mayoral objectives, where to find additional information and potential contact details for third sector organisation within the borough where greater benefits could be derived from a joined up approach.

Contract Ref & Title	<b>CLC5176 – Seasonal Bedding Plants</b>		
Procurement Category:	Services	Funding:	General Fund Revenue
Invitation to Tender <input checked="" type="checkbox"/> Contract Signature <input type="checkbox"/>	06/02/2017	Contract Duration and Extensions:	3+ 1 years
Value P/A:	£75,000	Value Total:	£375,000
Reviewed by Competition Board <input checked="" type="checkbox"/>	28/11/2016	<input checked="" type="checkbox"/> London Living Wage <input checked="" type="checkbox"/> New Procurement <input checked="" type="checkbox"/> Collaboration <input type="checkbox"/> Re-procurement of existing Contract	

### **Scope of Contract**

The contract is for the provision of seasonal bedding plants throughout Tower Hamlets predominantly for display in Parks and Open Spaces. This is inclusive of summer and autumn displays and includes high profile schemes such as Victoria Park. There is the need to procure this service to ensure that Tower Hamlets parks continue to be an exemplar of good horticultural practice and remain at the fore front of local and national recognition from external bodies such as Britain in Bloom and Green Flag awards.

Historically this service has been produced using a quotation process. The intention is to have a formal contract in place for a period of 3 years with an option to extend for a further period of 2 x 12 months. This encourages contract attractiveness to potential suppliers and reduces the cost of the contract as there will be significant opportunity for supplier to produce high quality plants to Tower Hamlets specification.

The Borough's public spaces and the services provided therein, make key contributions towards achieving the Council's Strategic Outcomes.

Key aspects of the open space provision are:

- Safety and Amenity – to improve and maintain the visual attractiveness of the public realm and ensure the perceived and physical safety of facility users and visitors.
- Recreation and Health – to provide and maintain a high standard of facilities for both active and passive users.
- Conservation and Biodiversity – to conserve historical landscapes and features and to protect, expand and enhance the habitat for diverse species of plant and animal life in the Borough.
- Education – to develop amenity open spaces as an educational resource for residents and visitors, promoting environmental awareness and accessibility.

### **Contracting Approach**

This will be carried out in accordance with the EU Open Procedure. The advert will be published in OJEU, Council website and Contract Finder via the Council's tendering portal. In response to the notices suppliers interested in tendering will be required to formally express an interest in order to gain access to the Tender documents.

### **Community Benefits**

Community benefits commensurate with the contract size will be sought from the provider through the tender process. Benefits would be expected to include local employment opportunities, work placements, volunteer opportunities etc.

- Local suppliers will be able to employ local people to provide these services as this is a requirement of the Council and links to one of the Council's priorities to support the local community.

Contract Ref & Title	<b>AHS5185 Public Health Community Development Programme</b>		
Procurement Category:	Care & Commissioning	Funding:	Public Health Grant
Invitation to Tender <input checked="" type="checkbox"/> Contract Signature <input type="checkbox"/>	20/02/2017	Contract Duration and Extensions:	3 years initial term + option of 2 x 1 further years
Value P/A:	£1,090,000	Value Total:	£3,270,000
Reviewed by Competition Board <input type="checkbox"/>	28/11/2016	<input checked="" type="checkbox"/> London Living Wage <input checked="" type="checkbox"/> New Procurement <input type="checkbox"/> Collaboration <input type="checkbox"/> Re-procurement of existing Contract	

### **Scope of Contract**

The public health grant currently supports a number of programmes that engage local residents and communities in order to help people stay healthy, self-manage when health issues arise and access relevant local services appropriately. These include Health Trainers, active play programmes and health promotion through food growing and work with local retailers to offer fresh fruit and vegetables as well as community-based pilots that aim to support good mental health. There is a need for a clearer framework to link the objectives of these programmes together, to create a clearer community development offer as part of the Health and Wellbeing Strategy.

The vision of this project is to create a single Community Development for Health Programme, in line with the evidence-based 'Well London' model, which will be better equipped to meet the needs of the community in an equitable, sustainable and cost-effective way.

The new commissioning framework will incorporate and integrate aspects of:

- work that is currently delivered through our directly funded community development programmes;
- learning from recent pilots.

In creating this new model we will also seek to achieve a saving of approximately £255,000 per year from October 2017, from the current baseline spend on community development programmes in October 2016.

### **Contracting Approach**

The contracting approach is subject to further discussion. It will be based on a competitive procurement but taking an iterative co-production approach towards a creative partnership solution. This could be either through a specification that gives space for the chosen provider to develop an innovative solution in partnership with public health or possibly through competitive dialogue procurement if this is more optimal.

### **Community Benefits**

The core of the programme will include community capacity-building, supporting volunteering, working with and mentoring small local businesses, community groups and schools, nurseries and children's centres.

The community benefits offer will be focused around working with other Council suppliers to realise their social value offer.

Contract Ref & Title	<b>AHS5186 Health Promotion Programme – Sexual Health</b>		
Procurement Category:	Care & Commissioning	Funding:	Public Health Grant
Invitation to Tender <input type="checkbox"/> Contract Signature <input checked="" type="checkbox"/>	31/03/2017	Contract Duration and Extensions:	3 years + 1 year optional extension
Value P/A:	£235,000	Value Total:	£705,000
Reviewed by Competition Board <input type="checkbox"/>	28/11/2016	<input checked="" type="checkbox"/> London Living Wage <input type="checkbox"/> New Procurement <input checked="" type="checkbox"/> Collaboration <input type="checkbox"/> Re-procurement of existing Contract	
<p><b>Scope of Contract</b></p> <p>The service will work with communities at greater risk of exposure to sexually transmitted infections such as men who have sex with men and some ethnic minority populations. A saving of £25k per year is proposed from the procurement of a single service to deliver these activities (replacing three current contracts) using a recently procured East London framework. The East London framework may help align services across east London and provide opportunities for the provider to make efficiencies through providing services across a larger geographical area.</p> <p><b>Contracting Approach</b></p> <p>Waltham Forest led for a consortium of east London boroughs including Tower Hamlets in procuring a framework contract for Adults Living with HIV. The preferred option is to “call off” the sexual health promotion programme from this existing contract. The duration of the framework contract is three years with an option to extend for a further year.</p> <p><b>Community Benefits</b></p> <p>Subject to what social value benefits are available through the East London framework.</p>			

Contract Ref & Title	<b>AHS5187 Specialist Stop Smoking Programme</b>		
Procurement Category:	Care & Commissioning	Funding:	Public Health Grant
Invitation to Tender <input checked="" type="checkbox"/> Contract Signature <input type="checkbox"/>	20/02/2017	Contract Duration and Extensions:	3 years + option of 2 x 1 year extensions
Value P/A:	£310,000	Value Total:	£930,000
Reviewed by Competition Board <input type="checkbox"/>	09/01/2017	<input checked="" type="checkbox"/> London Living Wage <input checked="" type="checkbox"/> New Procurement <input type="checkbox"/> Collaboration <input type="checkbox"/> Re-procurement of existing Contract	
<p><b>Scope of Contract</b></p> <p>This procurement will implement a reconfiguration of the smoking cessation support service providing a single consolidated service (bringing together two existing contracts) which would target all smokers and tobacco users, including those from BME groups and people with SMI, through a single programme of activity. This will achieve savings through economies of scale and maintain numbers of quits through better quit rates overall. In addition, this change recognises benchmarked unit costs of smoking services have been higher in Tower Hamlets than comparable areas, meaning there is scope to reduce spending whilst improving outcomes as some administrative efficiencies should be achievable as well as more optimal use of the specialist staff resources.</p> <p>Specialised support provides both better patient outcomes and value due to a quit rate of between 50-60% including for those smokers who are more heavily dependent e.g. people with mental health conditions. The consolidated service would embed the best practice from the two current specialist services; including outreach and psychology support and will particularly prioritise and target high need groups including smokers</p>			

with mental health issues, those from BME groups, pregnant smokers and young people. This would be in addition to support for the generic population of smokers, including all smokers on GP registers.

**Contracting Approach**

Open competitive procurement.

**Community Benefits**

Community benefits will be sought and constitute 5% of the award scoring at tender evaluation.

Contract Ref & Title	<b>R5179 Service Managers and Middle Managers Leadership Development Programme</b>		
Procurement Category:	Corporate Services	Funding:	
Invitation to Tender <input checked="" type="checkbox"/> Contract Signature <input type="checkbox"/>	28/02/2017	Contract Duration and Extensions:	36 months
Value P/A:	Up to £183,916	Value Total:	£536,930
Reviewed by Competition Board <input type="checkbox"/>	28/11/2016	<input checked="" type="checkbox"/> London Living Wage <input checked="" type="checkbox"/> New Procurement <input type="checkbox"/> Collaboration <input type="checkbox"/> Re-procurement of existing Contract	

**Scope of Contract**

The contract is for the provision of a leadership and management development programme for service managers and middle managers across all directorates. It comprises leadership development workshops, action learning sets and the administration of diagnostic tools/psychometric tests.

Effective leadership and management is critical to the success of any organisation. The Council’s latest *Investors in People* review highlighted the need for a leadership and management development programme. The Council is committed to addressing the recommendations to ensure that managers are well equipped to lead the organisation through the current and future challenges. This will form part of the overall workforce development programme - the Enabled Manager.

The main objective of the contract is to deliver a programme to upskill the described managers group expanding their leadership capabilities through a consistent and coherent corporate leadership and management development programme. This would enhance their leadership and management knowledge and skills and promote the right leadership behaviours that in turn will result in a motivated and empowered workforce, creating the appropriate environment for increased productivity and improved organisational outcomes.

**Contracting Approach**

The procurement process will be an OJEU compliant tender in line with the prevailing law and the Council constitution. The contracts will be divided in two lots and organisations can apply for one or both lots as follows:

- Lot 1: Action Learning Sets – facilitated structured method of learning in small peer groups to address issues collectively.
- Lot 2: Leadership Development programme with inclusion of workshops and

diagnostic/psychometric tests

### **Community Benefits**

There will be indirect community benefits from the training received by all leaders and managers; resulting in better managed services and improved management practices. In addition, community benefits commensurate with the nature and size of the contract will be sought from the provider through the tender process.

Contract Ref & Title	<b>AHS5189 Extra Care Sheltered Housing</b>		
Procurement Category:	Care and Commissioning	Funding:	General Funds
Invitation to Tender <input checked="" type="checkbox"/> Contract Signature <input type="checkbox"/>	15/02/2017	Contract Duration and Extensions:	3 + 1 + 1
Value P/A:	£2,517,216	Value Total:	12,586,080
Reviewed by Competition Board <input type="checkbox"/>	28/11/2016	<input checked="" type="checkbox"/> London Living Wage <input type="checkbox"/> New Procurement <input type="checkbox"/> Collaboration <input checked="" type="checkbox"/> Re-procurement of existing Contract	

### **Scope of Contract**

In line with government thinking and local priorities, Adults Commissioning is promoting the ethos of independence, choice and control in supporting older people in the community. One of the strategic priorities is to encourage older people to be supported in their own homes giving them the independence to live their lives in their own self contained flat for as long as possible. It promotes independence and allows individuals to be in control of their lifestyle.

Tower Hamlets has 214 units of Extra Care Sheltered Housing (ECSH) across six schemes at Duncan Court, Donnybrook Court, Sonali Gardens, Coopers Court, Sue Starkey House and Shipton House. At the moment there are two separate contracts covering the six schemes. The proposal is to tender all six schemes together under one contract.

The directorate has reviewed alternatives to how support might be funded in the future and have determined on a 'core service' approach. This model will provide greater value for money without increasing the risk to the quality of care provided to those vulnerable tenants who live in ECSH.

The core service approach allows the directorate to commission a given number of hours every week from the on-site care support provider, in order to guarantee the viability of the on-site service, enabling residents to either top up the on-site service from their own personal budgets, or to purchase the rest of their care and support service from off-site providers, as they choose.

The presence of staff on site 24/7 benefits tenants by offering personalised support to tenants in their day-to-day lives, and in many schemes, helping to facilitate social events and other activities which help foster a sense of community and promote individual wellbeing and social inclusion.

The delivery of support in ECSH is consistent with the statutory duties placed on the authority and with directorate policy to provide for such support. The successful care provider will be registered with the CQC for the provision of domiciliary care.

### **Contracting Approach**

The preferred procurement approach is a restrictive tender. Representatives from Adult Social Care and Adults Commissioning services will be invited on to the tender panel, reviewing the specification and evaluating submissions to ensure that the most economically advantageous tender is selected for future delivery of the service.

The contract will be offered on a 3+1+1 term to give both stability to service and facilitate changes, and to meet future, as well as current need. The tender will be aligned to Ageing Well Strategy.

**Community Benefits**

All bidders will required to submit a response to a question that will be weighted and scored which demonstrates their commitment to areas such as: local employment opportunities, volunteer opportunities, apprentices, and support for local organisations, etc.

Contract Ref & Title	<b>CS5192 Framework Agreements (Semi Independent and Shared Housing Placements for Looked After Children and Care Leavers)</b>		
Procurement Category:	Care and Commissioning	Funding:	£2.5 million
Invitation to Tender <input type="checkbox"/> Contract Signature <input type="checkbox"/>	01/02/2017	Contract Duration and Extensions:	3 years + 1 years
Value P/A:	£2.5 million	Value Total:	£12.5 million (5 years)
Reviewed by Competition Board <input type="checkbox"/>		<input checked="" type="checkbox"/> London Living Wage <input checked="" type="checkbox"/> New Procurement <input type="checkbox"/> Collaboration <input type="checkbox"/> Re-procurement of existing Contract	

**Scope of Tender**

The Council as Corporate Parents has a statutory duty to support young people leaving care through the Children (Leaving Care) Act 2000, and as a result, has a responsibility to provide a range of semi-independent and shared accommodation for Looked After Children (aged 16 and 17) and Care Leavers aged 18 – 21 (or 25 if pursuing a programme of education or training). The Council also has a duty to ensure the provision of appropriate accommodation for Looked After Children. The provision of services for both cohorts is a focus of Ofsted.

We are seeking approval to tender a multi-supplier framework agreement for Looked after Children and Care Leavers which will identify service efficiencies across semi-independent and shared placement providers and improve the quality of provision. The establishment of a Framework Agreement for both supported and shared placement providers will enable the council to choose the best supplier to meet the needs of young people. This will give the council flexibility and control over the placement and will ensure quality of provision for this market, some of which is unregulated, through robust quality assurance mechanisms.

**Contracting Approach**

It is proposed that the Framework Agreement for semi-independent and shared placements is procured using the open tendering procedure which provides the best opportunity for all suppliers to access the Framework Agreement following all Procurement Regulations.

The advantages of a Framework Agreement include:

- Working with a range of providers to support the varying level of needs in the framework agreement allows the Council to build a more collaborative working relationship and deliver better quality services to our Care Leavers and Looked after Children. This improves outcomes for young people over time by encouraging more efficient resolution of issues and greater investment into services by providers.
- It provides a more robust approach to quality when commissioning placements, through consistent

standards and terms and conditions.

- It continues to ensure flexibility in specifying service requirements to meet the needs of individual young people when calling off from the framework.
- It provides choice and flexibility for commissioners when identifying the most suitable placements for individual young people.
- It allows Commissioners to be responsive to the fluctuating service volumes of the Care Leaver cohort.
- It provides a more robust approach to managing costs and budgets, as unit costs are set through the procurement process

### **Community Benefits**

The benefits of this approach will ensure that where appropriate young people in the care system and those leaving care can live within the community with greater access to support networks and services which will reduce placement breakdowns.

Contract Ref & Title	<b>AHS5145 Campbell Road</b>		
Procurement Category:	Care and Commissioning	Funding:	General Funds
Invitation to Tender <input type="checkbox"/> Contract Signature <input type="checkbox"/>	February 2017	Contract Duration and Extensions:	5 years (3+1+1)
Value P/A:	£354,379	Value Total:	£1,771,895
Reviewed by Competition Board <input type="checkbox"/>	17.10.16	<input checked="" type="checkbox"/> London Living Wage <input type="checkbox"/> New Procurement <input type="checkbox"/> Collaboration <input checked="" type="checkbox"/> Re-procurement of existing Contract	

### **Scope of Contract**

<b>Campbell Road</b>	<b>Units</b>	<b>Support Available</b>
Campbell Road First Stage	20	High
Campbell Road Second Stage	4	Medium
Commercial Road Teenage Parents Scheme	10	Medium
21 Units from Supported Housing Contract	21	Low

Supported accommodation is a key strategic priority; ensuring young vulnerable people at risk of homelessness are able to access realistic housing options that promote their safety, wellbeing and access to employment training and education opportunities.

**Campbell Road First Stage** is situated in Bow and developed in 2005. It is comprised of 20 self-contained units of accommodation across 4 floors, for young people. It provides office space and a staff sleep in room as well as communal facilities. This scheme will provide high support accommodation with sleeping nights cover.

Campbell Road provides a 'first stage' responsive service working with young people with a range of complex needs. The scheme will have 24 hour staffing provided 7 days per week inclusive of sleeping night staff and



access to management on call. The service model will provide:

- support 24 hours a day 7 days per week for 365 days a year,
- A core service between 8.00 a.m. and 11.00 p.m. and 1 member of staff outside these times to provide sleeping night cover.
- In the region of 8 hours of direct support to each service user per week,
- A focal point for service delivery, able to support the satellite services, and responsive in an emergency with the support of a management on call service.

**Campbell Road Second Stage** is situated in Bow; it is comprised of 4 self-contained units of accommodation across 4 floors. It provides office space, communal facilities and garden. It is located within walking distance of Campbell Road first stage from whom it will be expected that staff will provide satellite support.

The service model will provide:

- a daily presence at the service in the morning for a minimum of an hour, 7 days a week 365 days per year,
- a daily presence at the service in the evening for a minimum of an hour 7 days a week 365 days per year,
- a minimum of 4 hours of direct support to each service user per week,
- access to the services of Campbell Road First stage and a management on call service.

**Commercial Road** is situated in Limehouse and is close to Westferry DLR it is a new build property first occupied in 2010. It provides 10 units of self-contained accommodation with lift access for young people. On the ground floor there is an onsite office and facilities, communal area and garden. The service supports pregnant teenagers and teenage parents.

Whilst the service will focus primarily on mother and child, the service will be required to promote joint parenting when it is in the best interests of the child.

Commercial Road service having undergone a review of referral rights will focus on the provision of services for pregnant teenagers and teenage parents. The borough reviewed the service model in 2013 and requires at a minimum:

- support 7 days per week for 365 days a year for a minimum of 5 hours a day, at times when service users can be expected to be present,
- 4 hours of direct support to each service user per week.
- access to the services of Campbell Road First stage and a management on call service.

**Dispersed Supported Housing** provides self-contained units of accommodation located in dispersed one bed room flats located throughout the borough. Service users are provided with visiting support. This service provides valuable step down accommodation for service users who have primarily used the first stage service, as a stepping stone to independent living.

The 21 Dispersed Units will facilitate step-down accommodation for those service users who do not require the level of support provided by the above services, but still require a level of support to better manage the transition to independent accommodation. The landlord will make available up to 21 units of accommodation for young people who will at a minimum receive:

- visit support for in the region of 2 hours per week
- access to the services of Campbell Road First stage and a management on call service
-

### Contracting Approach

The preferred procurement approach is to undertake an open tender. Representatives from Adult Services, Children's Services, Housing Options Support Team, Leaving Care and YOT will be invited to be members of the tender panel, review the specification and evaluate submissions to ensure that the most economically advantageous tender is selected for future delivery of the service.

The tender will offer a 3 plus 1 plus 1 contract to give both stability to service and facilitate changes and focusing to meet future as well as current need.

### Community Benefits

Community benefit is integral to the procurement process for supported housing contracts. All bidders will be required to submit a response outlining how they will demonstrate their ability to deliver;

- Funding, contribution and attendance at a minimum of 1 local job fair per annum.
- Local apprenticeships, trainees, volunteers and graduates that will be employed annually throughout the lifetime of the contract. This will include opportunities for career progression for local people employed within the contract.
- An agreed percentage of agency staff recruited via local recruitment agencies in Tower Hamlets
- An agreed number of vacancies recruited from the local community, making use of employment agencies that operate in the borough (such as Skillsmatch, Bromley by Bow Centre and Osmani Trust)
- An agreed number of support programme placements your organisation will be able to provide to assist people with Learning Disabilities, Physical Disabilities or Mental Health problems get into paid employment.
- Details of any programmes, placements or opportunities your organisation will be able to offer to assist unemployed people back into work and the target numbers you intend to offer.

Contract Ref & Title	<b>AHS5146 Mile End Road Services</b>		
Procurement Category:	Care and Commissioning	Funding:	General Funds
Invitation to Tender <input type="checkbox"/> Contract Signature <input type="checkbox"/>	01/02/2017	Contract Duration and Extensions:	5 years (3+1+1)
Value P/A:	£400,943	Value Total:	£2,004,715
Reviewed by Competition Board <input type="checkbox"/>	17.10.16	<input checked="" type="checkbox"/> London Living Wage <input type="checkbox"/> New Procurement <input type="checkbox"/> Collaboration <input checked="" type="checkbox"/> Re-procurement of existing Contract	

### Scope of Contract

Mile End Road Services	Units	Support Available
Mile End Road	16	High
Whitehorse Lane	5	Medium
Brokesley Street	5	Medium
Jeremiah House	9	Medium
Care Leavers Floating Support and Powesland Court	32	Low

Supported accommodation is a key strategic priority; ensuring young vulnerable people at risk of

homelessness are able to access realistic housing options that promote their safety, wellbeing and access to employment training and education opportunities.

**Mile End Road First** is situated close to Mile End Road tube station. 427 and 429 Mile End Road are two adjoining four storey terraced buildings and shared garden to the rear. It is comprised of 16 shared units of accommodation; 427 Mile End Road has 7 units for young women and staff office and facilities for staff sleepover. 429 Mile End Road has 9 units for young men. The scheme will provide high support accommodation with sleeping nights cover.

Mile End Road provides a 'first stage' responsive service working with young people with a range of complex needs. The scheme will have 24 hour staffing, provided 7 days per week inclusive of sleeping night staff, and access to management on call. The service model will deliver:

- Support 24 hours a day 7 days per week for 365 days a year,
- A core service during the hours of 8.00 a.m. and 11.00 p.m. and 1 member of staff outside these times to provide sleeping night cover.
- In the region of 8 hours of direct support to each service user per week,
- A focal point for service delivery able to support the satellite services, and respond in an emergency with the support of a management on call service.

**Jeremiah House** is situated in Poplar and was refurbished in 2005. It comprises of 9 self-contained units across 2 floor, an office with kitchenette; patio area and roof garden. There are 2 other staff areas, one having been used for sleep overs.

Service users receive a minimum of:

- A core service 7 days per week for 365 days a year for a minimum of 10 hours a day at times when service users can be expected to be present,
- Sleeping night cover 7 nights per week from 11.00 p.m. until 8.00 a.m. – which will be subject to review.
- 5 hours of direct support to each service user per week.
- Access to the services delivered across the model and an on call service.

**Powesland Court** is situated in Limehouse and comprises of 3 one bedroom flats which form part of a general needs block close to Commercial Road. It is gated and has a secure door entry system and lift access.

Service users receive a minimum of:

- 2 hours of visiting support per week and
- Access to on call service from the hub.

**Whitehorse Lane** is situated within walking distance of Stepney Green tube station. It is a 5 bedroom 2 storey terraced house, with 4 stairs up to a 2nd floor. It provides shared accommodation with bathroom facilities and laundry room on the first floor and a second toilet, kitchen / diner and garden on the ground floor.

The service will be supported from a hub at Mile End Road as they are no office facilities. The service model will provide at minimum:

- A minimum of 4 hours of direct support to each service user per week,
- Access to the services delivered across the model and an on call service.

**Brokesley Street** is situated close to Mile End tube station and is a 5 bedroom, 3 storey terraced house. It has 2 bathrooms and a third toilet on the ground floor; a shared kitchen and dining area on the lower ground

floor. Along with Whitehorse Lane the service will be supported from a hub at Mile End Road as they are no office facilities. The service model will provide at minimum:

- A minimum of 4 hours of direct support to each service user per week,
- Access to the services delivered across the model and an on call service.

**Care Leavers Floating Support** also forms part of this contract, supporting young people living in a range of accommodation options, mainly in-borough. The service will also provide visiting support to young people out of borough and in agreement with the leaving care service link people into locally based services.

The model will include a Floating Support service to assist care leavers moving into independent accommodation from supported housing schemes; those placed directly and those living in Powesland Court. Service users will receive a minimum of:

- 2 hours of visiting support per week and
- Access to on call service from the hub.

### **Contracting Approach**

The preferred procurement approach is to undertake an open tender. Representatives from Adult Services, Children's Services, Housing Options Support Team, Leaving Care and YOT will be invited to be members of the tender panel, review the specification and evaluate submissions to ensure that the most economically advantageous tender is selected for future delivery of the service.

The tender will offer a 3 plus 1 plus 1 contract to give both stability to service and facilitate changes and focusing to meet future as well as current need.

### **Community Benefits**

Community benefit is integral to the procurement process for supported housing contracts. All bidders will be required to submit a response outlining how they will demonstrate their ability to deliver;

- Funding, contribution and attendance at a minimum of 1 local job fair per annum.
- Local apprenticeships, trainees, volunteers and graduates that will be employed annually throughout the lifetime of the contract. This will include opportunities for career progression for local people employed within the contract.
- An agreed percentage of agency staff recruited via local recruitment agencies in Tower Hamlets
- An agreed number of vacancies recruited from the local community, making use of employment agencies that operate in the borough (such as Skillsmatch, Bromley by Bow Centre and Osmani Trust)
- An agreed number of support programme placements your organisation will be able to provide to assist people with Learning Disabilities, Physical Disabilities or Mental Health problems get into paid employment.
- Details of any programmes, placements or opportunities your organisation will be able to offer to assist unemployed people back into work and the target numbers you intend to offer.

Contract Ref & Title	<b>AHS5147 Tower Hamlets North</b>		
Procurement Category:	Care and Commissioning	Funding:	General Funds
Invitation to Tender <input type="checkbox"/> Contract Signature <input type="checkbox"/>	February 2017	Contract Duration and Extensions:	5 years (3+1+1)
Value P/A:	£146,000	Value Total:	£730,000
Reviewed by Competition Board <input type="checkbox"/>	17.10.16	<input checked="" type="checkbox"/> London Living Wage <input type="checkbox"/> New Procurement <input type="checkbox"/> Collaboration <input checked="" type="checkbox"/> Re-procurement of existing Contract	

### **Scope of Contract**

<b>Tower Hamlets North</b>	<b>Units</b>	<b>Support Available</b>
Old Ford Road	8	Medium
41 Approach Road	5	Medium
Fidelis House	8	Low
6 Approach Road	6	Low

Supported accommodation is a key strategic priority; ensuring young vulnerable people at risk of homelessness are able to access realistic housing options that promote their safety, wellbeing and access to employment training and education opportunities.

**Old Ford Road** is situated close to Bethnal Green tube station. It is composed of 4 two story terraced houses 3 of which are adjacent to each other. One of the houses provides 2 units of shared accommodation, a staff office and common room with shared kitchen and bathroom facilities, the other are converted into 6 one bedroom flats. All have door entry systems and garden access to the ground floor.

Old Ford Road will provide a responsive service working with young people with a range of needs. The service model will deliver at minimum:

- A core service 7 days per week for 365 days a year for a minimum of 5 hours a day at times when service users can be expected to be present,
- A minimum of 5 hours of direct support to each service user per week,
- Access to the service delivered across the model and an on call service.

**41 Approach Road** is situated in Bethnal Green. It is a four storey terraced house providing 5 units of shared accommodation for young women. It has a communal kitchen, living room, a bathroom and shower room, office and communal garden. 41 Approach Road will provide a responsive service to young women at risk with a range of needs. The service model will as a minimum provide:

- A core service 7 days per week for 365 days a year for a minimum of 3 hours a day at times when service users can be expected to be present,
- 4 hours of direct support to each service user per week.
- Access to the services delivered across the model and an on call service.

**Fidelis House** is situated close to Spitalfields market. It is part of a general needs block of twenty one, 1 bedroom flats, 8 of which are designated as supported housing for young men. There is lift access to the 7 floors, a secure door entry system, intercom and CCTV. There are office facilities within the basement area.

Fidelis House will provide a responsive service to young men at risk with a range of needs. The service model will provide at minimum:

- A core service 7 days per week for 365 days a year for a minimum of 3 hours a day at times when service users can be expected to be present,
- 2 hours of direct support to each service user per week.
- Access to the services delivered across the model and an on call service.

**6 Approach Road** is situated in Bethnal Green. It is a four storey terraced house providing 5 units of shared accommodation. It has a communal kitchen with dining area, bathroom, toilet and laundry room facilities. 6 Approach Road is within the vicinity of Approach Road and Old Ford and going forward will be available to young people. The services will be supported from a hub using these services as there are no office facilities. The service model will provide at minimum:

- A minimum of 2 hours of direct support to each service user per week, and
- Access to the services delivered across the model and an on call service.

### **Contracting Approach**

The preferred procurement approach is to undertake an open tender. Representatives from Adult Services, Children's Services, Housing Options Support Team, Leaving Care and YOT will be invited to be members of the tender panel, review the specification and evaluate submissions to ensure that the most economically advantageous tender is selected for future delivery of the service.

The tender will offer a 3 plus 1 plus 1 contract to give both stability to service and facilitate changes and focusing to meet future as well as current need.

### **Community Benefits**

Community benefit is integral to the procurement process for supported housing contracts. All bidders will be required to submit a response outlining how they will demonstrate their ability to deliver;

- Funding, contribution and attendance at a minimum of 1 local job fair per annum.
- Local apprenticeships, trainees, volunteers and graduates that will be employed annually throughout the lifetime of the contract. This will include opportunities for career progression for local people employed within the contract.
- An agreed percentage of agency staff recruited via local recruitment agencies in Tower Hamlets
- An agreed number of vacancies recruited from the local community, making use of employment agencies that operate in the borough (such as Skillsmatch, Bromley by Bow Centre and Osmani Trust)
- An agreed number of support programme placements your organisation will be able to provide to assist people with Learning Disabilities, Physical Disabilities or Mental Health problems get into paid employment.
- Details of any programmes, placements or opportunities your organisation will be able to offer to assist unemployed people back into work and the target numbers you intend to offer.

## Appendix 2

London Borough of Tower Hamlets  
Cabinet Procurement Forward Plan 2017/18



Quarter	FY	Direct	Existing Contract Number	Contract Title	Contract Exp. date	Total Value (extract: Bravo Contracts register)
Q1	2017/18	CS	CS5044	Supply of Catering Disposables	29/06/2017	£500,000
Q1	2017/18	CS	E3943	Supply 1/3 Pint Milk for Schools and Fresh Milk for School and welfare Catering	30/08/2017	£370,000.00
Q1	2017/18	RE	R4799	Leaseholders Building Insurance	30/03/2018	£3,338,500.11
Q1	2017/18	RE	R4800	Motor, Engineering, Commercial Property and School Journeys insurance cover to all	31/03/2018	£386,258
Q1	2017/18	LPG	CE4356	NHS Independent Complaints Advocacy Service	31/03/2017	£323,000
Q1	2017/18	CS	CSF4029	Framework i - Social Care	31/03/2018	£816,000
Q1	2017/18	AHS	ESCW(AHWP)4693	Carers Retreat & Breathing Space	31/03/2017	£72,000.00
Q1	2017/18	AHS	ESCW(PH) 4479	GUM (diagnosis and treatment of sexually transmitted infections)	31/03/2017	£250,000
Q1	2017/18	CS	ESCW(CSF)4828	Overnight and Related Short Breaks for children and Young People with Autistic Spectrum Disorder accompanied by severe learning disabilities and/or behaviour	30/05/2017	£1,558,734
Q2	2017/18	D&R	DR4454	General Building Works MTC	30/05/2018	£6,000,000

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<p><b>Cabinet</b></p> <p>7 February 2017</p>	 <p><b>TOWER HAMLETS</b></p>
<p><b>Report of:</b> Zena Cooke, Corporate Director of Resources</p>	<p><b>Classification:</b> Unrestricted</p>
<p><b>Corporate Directors' Decisions</b></p>	

<b>Lead Member</b>	<b>Councillor David Edgar, Cabinet Member for Resources</b>
<b>Originating Officer(s)</b>	Abdul Miah, Accountant - Financial Planning
<b>Wards affected</b>	All wards
<b>Key Decision?</b>	No
<b>Community Plan Theme</b>	<b>One Tower Hamlets</b>

### 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 one new Corporate Directors' Decisions between £100,000 and £250,000 since the last report on 6th December 2016. The detail of this is 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
Will Tuckley Communities, Localities and Culture (at the time the document was signed)	049-2016/17 (RCDA 16 18)	£151,000	Adoption of capital estimate for the A12 East Cross Route & Blackwall Tunnel Northern Approach/Tredegar Road/Wick Lane - Junction & pedestrian crossing.	<p>£280K was allocated in Cabinet on the 4th April 2012, for enhancement work on A12/Wick Lane to pedestrian and cycle environment. Ringway Jacob was commissioned to carry out the design work and after reviewing the wider scope of the work, the allocation was revised to £24k.</p> <p>Subsequently the Olympic Development Agency, who are successors to the London Legacy Development Corporation (LLDC), confirmed additional funding of £151,000 for this project. Thus this RCDA concerns adoption of a capital estimate to incorporate this additional funding of £151,000, bringing the total value of this project to £175,000.</p>	J B Riney Ltd 455 Wick Lane London E3 2TB	11/10/2016	Margaret Cooper Head of Transport & Highways ext: 6851

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<p><b>Cabinet</b></p> <p>7 February 2017</p>	
<p><b>Report of:</b> Matthew Mannion, Committee Services Manager</p>	<p><b>Classification:</b> Unrestricted</p>
<p><b>Mayor’s Individual Executive Decisions – List of Recently Published Decisions</b></p>	

<b>Lead Member</b>	<b>Mayor John Biggs</b>
<b>Originating Officer(s)</b>	Matthew Mannion, Committee Services Manager
<b>Wards affected</b>	All wards
<b>Key Decision?</b>	No
<b>Community Plan Theme</b>	<b>All</b>

**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](http://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**

<b>Decision Number</b>	<b>Date of Decision*</b>	<b>Report Title</b>	<b>Sign off Sheet</b>
144	20 January 2017	Tower Hamlets Homes Board Governance	Appendix 1
145	18 January 2017	Award of Concession contract for Chartered Management Institute leadership and management programme	Appendix 2 (Note Report - Part Exempt)

\* 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.

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**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

<b>Individual Mayoral Decision Proforma</b>  Decision Log No: <u>144</u>	 <b>TOWER HAMLETS</b>
<b>Report of:</b> Aman Dalvi Corporate Director (Place)	<b>Classification:</b> Unrestricted
<b>Tower Hamlets Homes Board Governance</b>	

<b>Is this a Key Decision?</b>	<b>No</b>
<b>Decision Notice Publication Date:</b>	N/A (Not a Key Decision)
<b>General Exception or Urgency Notice published?</b>	<b>Not required</b>
<b>Restrictions:</b>	Unrestricted
<b>Reason for seeking an Individual Mayoral Decision:</b>	Currently not all THH's Board appointments are filled in line with the organisation's Articles of Association.

## 1 EXECUTIVE SUMMARY

- 1.1 Following an Executive Decision in December 2011, the Mayor has responsibility for appointing to the Tower Hamlets Homes (THH) Board.
- 1.3 This report asks the Mayor to appoint a resident board member to THH's Board.

## 2. RECOMMENDATIONS

- 2.1 The Mayor is recommended to appoint:
- Helen Charles** as Resident Board member
- 2.2 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 **appendix A**.

**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 10/1/2017

**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 16/1/17

**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 16/01/17


**4. Mayor**

I agree the decision proposed in paragraph above for the reasons set out in paragraph 3.1 in the attached report.

Signed  Date 20/1/17

For the reasons which Charles is known to me. However, there is nothing in my mind that questions both her responsiveness in skills, and absolute impartiality in regard to the suitability for this requirement



<b>Individual Mayoral Decision Proforma</b>  Decision Log No: <u>145</u>	 <b>TOWER HAMLETS</b>
<b>Report of:</b> Zena Cooke, Corporate Director, Resources	<b>Classification:</b> [Unrestricted]
<b>Award of concession contract for Chartered Management Institute (CMI) leadership and management Programme at Levels 2, 3, 5 and 7</b>	

<b>Is this a Key Decision?</b>	<b>No</b>
<b>Decision Notice Publication Date:</b>	Not applicable
<b>General Exception or Urgency Notice published?</b>	<b>Not required</b>
<b>Restrictions:</b>	Not applicable
<b>Reason for seeking an Individual Mayoral Decision:</b>	This individual Mayoral Decision is being sought due to the urgent timescales for accessing the Chartered Management Institute leadership and management programme free of charge via Skills Funding Agency.

## EXECUTIVE SUMMARY

- 1.1 Due to the urgent timescales for accessing the Skills Funding Agency's grant funding by March 2017, this report is to seek an Individual Mayoral Decision to enable the organisation to award a concession contract in excess of approximately £335,700 to Management Focus Training Solutions Ltd. This would enable the Council to access free Chartered Management Institute (CMI) leadership and management programmes at level 2, level 3 and level 5 to a wide range of managers across the organisation.
- 1.2 The London Borough of Tower Hamlets (LBTH) published an invitation to tender for a concession contract from 16<sup>th</sup> December 2016 to 4<sup>th</sup> January 2017. The aim was to identify a supplier to deliver a range of Chartered Management Institute (CMI) leadership programmes at Level 2, Level 3, Level 5 and Level 7. There was only one bid received from Management Focus Training Solutions Ltd.
- 1.3 The opportunity to access 100% sponsorship for the CMI leadership and management programmes via the Skills Funding Agency will end in March 2017 and will be replaced by a new funding procedure via a levy system. The levy will not offer 100% funding. The Council would therefore like to take advantage of the current eligibility to access funds in January 2017 to help sponsor managers eligible to undertake the

Chartered Management Institute (CMI) leadership and management development programmes.

- 1.4 Based on an assumption that potentially 150 staff may be interested in accessing this opportunity, we have estimated the concession contract value to be in excess of approximately £335,700. This has been calculated based on average costs on the market ranging between £925 and £3,550 per person. The total estimated cost constitutes approximately 0.21% of the Council's yearly salary budget.

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

Approve the award of this concession contract which may be in excess of £335,700 Management Focus Training Solutions Ltd. This would enable the Council to take advantage of the Skills Funding Agency funds currently available for the free sponsorship of Chartered Management Institute (CMI) leadership and management programmes for eligible leaders and managers across the Council.

## 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 18/1/17

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 18/1/17

<p><b>Cabinet</b></p> <p>7 February 2017</p>	
<p><b>Report of:</b> Graham White, Acting Corporate Director, Governance and Interim Monitoring Officer</p>	<p><b>Classification:</b> Unrestricted</p>
<p><b>Update to Lead Member Responsibilities</b></p>	

<b>Lead Member</b>	<b>Mayor John Biggs</b>
<b>Originating Officer(s)</b>	Matthew Mannion, Committee Services Manager
<b>Wards affected</b>	All Wards
<b>Key Decision?</b>	No
<b>Community Plan Theme</b>	<b>One Tower Hamlets</b>

**Executive Summary**

As set out in the Council’s Constitution (Part 4.4 - Executive Procedure Rules), the Executive Mayor may delegate specific executive functions to the Executive (Cabinet) amongst others.

The Mayor presented a report to the Annual General Meeting of Council on 18 May 2016 setting out the Cabinet Member portfolios and areas of responsibility.

On Wednesday 25 January 2017, the Mayor wrote to Will Tuckley the Chief Executive outlining a number of minor changes to those portfolios. These changes are reported here for transparency.

**Recommendations:**

The Mayor in Cabinet is recommended to:

1. Note the report.

**1. REASONS FOR THE DECISIONS**

1.1 To note minor changes to Cabinet Lead Member responsibilities.

**2. ALTERNATIVE OPTIONS**

2.1 Not applicable to a noting report.

**3. DETAILS OF REPORT**

3.1 The Executive Procedure Rules at Part 4.4 of the Council's Constitution provide for the Mayor to delegate specific executive functions to:-

- the Executive as a whole (the Cabinet);
- a committee of the Executive or an individual member of the Executive;
- an officer;
- an area committee;
- a ward councillor (only in accordance with s.236 of the Local Government and Public Involvement in Health Act 2007);
- joint arrangements; or
- another local authority.

3.2 The Mayor may amend or revoke any delegation of an executive function at any time.

3.3 The Executive Scheme of Delegation must contain the following information in so far as it relates to executive functions:

- a) The extent of any authority delegated to any individual Executive Member or ward councillor including details of the limitation on their authority;
- b) The terms of reference and constitution of such Executive Committees as the Mayor appoints and the names of Executive Members appointed to them;
- c) The nature and extent of any delegation of executive functions to area Committees, any other authority or any joint arrangements and the names of those Executive Members appointed to any joint Committee for the coming year; and
- d) The nature and extent of any delegation of executive functions to officers not already specified in Part 3 of the Constitution, with details of any limitation on that delegation and the title of the officer to whom the delegation is made.



3.4 As a reminder the Cabinet Member Portfolios are set out below. These are unchanged.

<b>Name</b>	<b>Portfolio</b>
Mayor John Biggs	Executive Mayor  Specific responsibility for Partnerships, Policy, Strategy & Performance
Cllr Sirajul Islam, Statutory Deputy Mayor	Cabinet Member for Housing Management & Performance  Deputy Mayor Responsible also for <ul style="list-style-type: none"> <li>- Work with Faith Communities</li> <li>- Welfare Reform Response</li> </ul>
Cllr Rachael Saunders  Deputy Mayor for Education & Children's Services & the Third Sector	Cabinet Member for Education and Children's Services  Deputy Mayor Responsible also for <ul style="list-style-type: none"> <li>- Grants &amp; Third Sector</li> </ul>
Cllr Shiria Khatun Deputy Mayor for Community Affairs	Cabinet Member for Community Safety  Deputy Mayor Responsible also for <ul style="list-style-type: none"> <li>- Community Cohesion.</li> <li>- Tackling Radicalisation.</li> </ul>
Cllr Rachel Blake	Cabinet Member for Strategic Development
Cllr Joshua Peck	Cabinet Member for Work & Economic Growth
Cllr Amy Whitelock Gibbs	Cabinet Member for Health and Adult Services
Cllr Asma Begum	Cabinet Member for Culture
Cllr Ayas Miah	Cabinet Member for Environment
Cllr David Edgar	Cabinet Member for Resources

- 3.5 The amendments to responsibilities notified to the Chief Executive are as follows:

**Mayor John Biggs**

In addition to those already listed, and my 'roving brief', there are always emerging priorities. I intend to work more closely with Rachel Blake and David Edgar on the development and delivery of regeneration projects and the capital programme, and I will continue to lead on the new Civic Centre. I will continue to prioritise good corporate and general governance, as the Commissioners depart and we continue with our restructure and improvement of the Council.

**Cllr Sirajul Islam**

Responsibility for implementation of the Housing Strategy agreed by Council in December, and will jointly oversee our crucial program of 1000 new council homes with Cllr Rachel Blake. Because of its overlap with planning policy, the development of housing policy will continue to be shared between Cllrs Islam and Blake. Because she has been working extensively on it, Cllr Blake's OHG work will continue, in liaison with Cllr Islam. Similarly, I will continue to lead on the resolution of our relationship with Old Ford/Clarion.

**Cllr Rachel Blake**

Will take on responsibility for Waste and Cleansing, in addition to her existing portfolio, but with a reduced role for housing, other than the policy and new homes work. There are significant decisions to be made soon about the shape of our future waste and cleansing contracts, which would benefit from knowledge of the future sustainability of the borough, gained through her work on the draft Local Plan.

**Cllr Ayas Miah**

To take on special responsibility for Sport and Physical Activity, with a particular remit to look at solving some of the ongoing issues around organised team sports in the borough.

**Cllr Rachael Saunders**

I will be asking another Cllr to work with Cllr Saunders on the developing Youth Services strategy. This will be finalised in the next few days. During the next year Cllr Saunders will also be responsible for developing our approach to the next round of Mainstream Grants. This will be a major piece of work.

**Cllr Saunders/Cllr Peck:** I expect the work on Adult and Community Learning, as it overlaps with skills and employment work, to be developed cooperatively by Cllrs Peck and Saunders.

**Cllr Amy Whitelock Gibbs:**

Cllr Whitelock Gibbs will work jointly with Cllr Amina Ali in the implementation of actions flowing from the work of the Somali Task Force. Cllr Whitelock Gibbs will also take on responsibility for Drugs and Alcohol health interventions, which was previously within the Community Safety portfolio.

**4. COMMENTS OF THE CHIEF FINANCE OFFICER**

- 4.1 There are no financial implications directly arising from this report.

## **5. LEGAL COMMENTS**

5.1 The legal implications are set out in the body of the report.

## **6. ONE TOWER HAMLETS CONSIDERATIONS**

6.1 There are no implications directly arising from this report.

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

7.1 Best Value is achieved by ensuring that Cabinet Members are best placed to focus on the most important areas of policy and development as they arise.

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

8.1 There are no implications directly arising from this report.

## **9. RISK MANAGEMENT IMPLICATIONS**

9.1 There are no implications directly arising from this report.

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

10.1 There are no implications directly arising from this report.

## **11. SAFEGUARDING IMPLICATIONS**

11.1 There are no implications directly arising from this report.

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### **Linked Reports, Appendices and Background Documents**

#### **Linked Report**

- Report to Council AGM 18 May 2016

#### **Appendices**

- None

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

- None

#### **Officer contact details for documents:**

N/A

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